FBIS DAILY REPORT

CONTENTS

Soviet Union

Vol III No 119 20 June 1986

INTERNATIONAL AFFAIRS

ARMS CONTROL & DISARMAMENT

Israelyan Claims No Intentions To Produce New CW [AFP]	AA 1
Report on London Talks	AA 1
Medium-Range Nuclear Armament Group Meets	AA 1
U.S. Urged to Observe Strategic Arms Agreements [Chernyshev]	AA 1
Anniversary of Anti-Nuclear Agreement Noted [Turkatenko]	AA 2
Reportage, Comment on New Disarmament Proposals	AA 4
Chervov Interviewed [Rome LA REPUBBLICA 17 Jun]	AA 4
U.S. 'Torn by Contradictions' [Zholkver]	AA 5
Weinberger Criticized	AA 6
Karpov Meets With Pugwash Movement Leader	AA 7
Grinevskiy Comments on Stockholm Conference [Kepko]	AA 7

WORLD & REGIONAL ISSUES

U.S., UK Veto of S. Africa Sanctions Deplored [Chernukha]	CC 1
Blix Speaks on Results of IAEA Session [PRAVDA 18 Jun]	CC 1
'Anti-Soviet' Amnesty International Criticized [Izotov in SOVETSKAYA ROSSIYA 1 Jun]	CC 2

UNITED STATES & CANADA

Reportage on Reagan Meeting With Rebel Leader	A 1
U.S. Policy Hit	A 1
Paper Condemns Meeting	A 2
Dushman Leader Rapped	A 2
Reagan Reception for Contras, Afghans Hit [Ponomarev]	A 3
U.S. Trains for Strike at Soviet Far East [Mnatsakanov]	A 4
Role of 'Assault Echelon' U.S. Navy Analyzed [Sturua in KRASNAYA ZVEZDA 14 Jun]	A 5
UN Opposes U.S. Attempts 'To Colonize' Micronesia [Biryukov]	A 7

CHINA

Further on Hu Yaobang's W. Europe Visit	B 1
Meets French CP's Marchais	B 1
Arrives in Italy	B 1
Cultural Cooperation Ceremony Held in Moscow	B 1
Academician Lauds China's Sun Yat-sen	B 2
Women's Federation Official Discusses USSR Visit	B 2

NORTHEAST ASIA

DPRK Press on Call for Talks With ROK, U.S. C 1
ROK-DPRK Talks on Olympics Held In Lausanne C 1

SOUTH ASIA

Journalists Delegation Arrives in Kabul [Kabul] D 1
Capture of Rebel Arms in DRA Reported D 1
[Leshchinskiy]
Economic Commission Reviews Fisheries Cooperation With Iran D 2
[Tehran IRNA]

EASTERN EUROPE

PZPR Politburo Approves Warsaw Pact Decisions F 1
CPCZ Approves Warsaw Pact Documents F 1
Gorbachev, Kadar Speeches Published F 1

WESTERN EUROPE

Ryabov Appointed Ambassador to France G 1
New French Envoy Presents Credentials [PRAVDA 15 Jun] G 1
FRG's Genscher To Visit in Late July G 1
Belgian CP Plenum Meets 16 June G 1

MIDDLE EAST & NORTH AFRICA

CPSU Delegation Attends Tunisian Party Congress H 1
Libyans Mark Anniversary of U.S. Ousting H 1
[Aslanyan in IZVESTIYA 13 Jun]
Envoy in Kuwait Reviews International Situation H 2
[Kuwait KUNA]
Briefs: Accord With Jordan H 3

LATIN AMERICA & CARIBBEAN

Paraguayan Communist Maidana Calls for Support K 1
Central American States Discuss Defense Council Revival K 1
[Gorbunov]

NATIONAL AFFAIRS

POLITICAL & SOCIAL DEVELOPMENTS

Further Reportage on Supreme Soviet Session R 1
18 June Business [IZVESTIYA 19 Jun] R 1
Leaders at 19 June Session R 2
Session Ends R 2
Ryzhkov Report on 12th 5-Year Plan R 3
[PRAVDA 19 Jun]
Ryabov 'Released' from Council of Ministers R 39

ISRAELYAN CLAIMS NO INTENTION TO PRODUCE NEW CW

AU191256 Paris AFP in English 1251 GMT 12 Jun 86

[Excerpt] Geneva, June 19 (AFP) -- The Soviet Union does not intend to produce new chemical arms and will hold talks with the United States next month about halting their production altogether and destroying those in stock, top Soviet disarmament negotiator Viktor Israelyan said here Thursday.

Mr. Israelyan also told journalists after a session of the disarmament conference in Geneva that Washington, which recently announced it would resume production of chemical arms, already had the world's largest chemical arsenal.

He said the U.S. arsenal contained 55 million tonnes of those arms, but stressed that Moscow would not be pressured by the U.S. decision to resume production of chemical arms, reportedly after a 17-year lapse.

Mr. Israelyan also said his talks Wednesday with British officials in London on reducing chemical arms arsenals had been "serious and very tense".

Report on London Talks

LD190952 Moscow TASS in English 0908 GMT 19 Jun 86

[Text] London, June 19 TASS -- Soviet-British consultations on questions connected with the banning of chemical weapons were held here on June 18. The sides discussed a number of questions touched upon at the talks held within the framework of the Geneva Conference on Disarmament.

From the Soviet side the consultations were attended by the member of the Collegium of the USSR Ministry of Foreign Affairs Viktor Israelyan and from the British side -- by the Minister of State for Foreign and Commonwealth Office Timothy Renton.

MEDIUM-RANGE NUCLEAR ARMAMENT GROUP MEETS

LD191133 Moscow TASS in English 1123 GMT 19 Jun 86

[Text] Geneva, June 19 TASS -- The medium-range nuclear armaments group had a meeting here today within the framework of the Soviet-American negotiations on nuclear and space armaments.

U.S. URGED TO OBSERVE STRATEGIC ARMS AGREEMENTS

LD191500 Moscow TASS in English 1444 GMT 19 Jun 86

["Foundation of Detente Should Not be Destroyed" -- TASS item identifier]

[Text] Moscow, June 19 TASS -- By TASS military writer Vladimir Chernyshev

In the communique of the Budapest meeting, the Warsaw treaty member countries once again reaffirmed their adherence to the agreements in the sphere of arms limitation and disarmament and urged the United States to observe strictly the agreements on strategic arms limitation.

But the U.S. Administration refuses to heed the voice of reason, persists with its policy aimed at destroying the foundation of the process of detente, the foundation that had earlier been created by joint efforts of the two states for the further advance in arms reduction and limitation. The decision announced by the head of the White House to refuse to observe the Soviet-U.S. legal documents on strategic offensive arms limitation means an action that imposes a serious qualitative change on the international situation.

What are the dangers posed by this unilateral step by Washington? First, a deliberate large-scale breach of the provisions of the SALT-2 treaty attests to Washington's discarding the fundamental principle of the Soviet-U.S. relations -- the principle of equality and equal security on which this treaty rests. This means an outright attempt to achieve military advantages, to disrupt the military parity reached by the USSR and the USA, the parity which is the basis of strategic stability in the world.

Second, dismantling the existing material restrictions on the arms race, the United States opens the way for the uncontrolled build-up of armaments, thus jeopardizing the security of everyone, its own included. Resuming actually all military programmes which were dropped for some or other reasons by the previous administrations and embarking on the programme of the construction of heavy arms in all components of the U.S. strategic triad, the programme unprecedented for its scale, the present U.S. Administration discards the commitments assumed by those administrations as they come into contradiction with the implementation of the new U.S. military programmes.

Third, by its actions official Washington actually restricts the possibility of advance along the road of arms limitation and reduction. The U.S. Administration has done absolutely nothing to take practical measures for the implementation of the aim jointly proclaimed by the USSR and the USA -- that of terminating the arms race on earth and preventing its spread to space. Due to the efforts of the U.S. Administration, the Soviet-U.S. Talks on nuclear and space arms in Geneva are skidding. The U.S. stand sharply complicated the matters at the talks, specifically in the group on strategic arms. Despite the growing indignation in the world and condemnation of Washington's policy, the U.S. Administration has no wish to adjust it in a positive direction. U.S. Defence Secretary Caspar Weinberger just said that the SALT-2 treaty is "dated" and threatened the U.S. Congress that if it adopts a resolution on keeping within the quantitative limits set by the treaty, the President will be viewing it as unconstitutional. The Pentagon's chief confirmed again that another important treaty, on the limitation of ABM systems, is also threatened. He said he would declare against any steps that could limit the U.S. right to terminate the observance of that treaty. They in Washington refuse to realize their responsibility to the present and coming generations. And it is high time to understand that the negative stance of the U.S. Administration on key questions of war and peace is fraught with grave consequences for humanity and really threatens to turn our planet into a lifeless spectre.

ANNIVERSARY OF ANTI-NUCLEAR AGREEMENT NOTED

LD200800 Moscow TASS in English 0747 GMT 20 Jun 86

[Text] Washington June 20 TASS -- By TASS correspondent Nikolay Turkatenko

Thirteen years ago, on June 22, 1973, the Soviet Union and the United States signed a document of major importance -- for themselves and for the world at large. That document was the agreement between the Union of Soviet Socialist Republics and the United States of America on the prevention of nuclear war.

The sides agreed to refrain from use or threat of force against the each other and against other countries in the circumstances that might put in jeopardy international peace and security.

The sides agreed that they would be guided by these considerations in shaping their foreign policy and in practical actions in the world arena.

Is this agreement remembered in Washington's "corridors of power"? Does the U.S. regard it as still operating? The attempts to find that out have failed.

The White House referred to the Department of State. The Department of State referred to various sections within the department, and one of the officials promised to give a call, but he did not. So, no answer was forthcoming.

That hasn't come as a surprise, actually. Washington has been busy in recent years with other problems -- the elaboration of and attempts to carry out the doctrines and concepts that in no way correspond to the agreement in question.

Acting within their framework, the U.S. resorted not only to threat of force with regard to other countries, but also to its direct use against Grenada, Lebanon and Libya, and undertook such actions in the field of international relations as the deployment of new American nuclear weapons in direct proximity to the borders of the Soviet Union, launched an undeclared war on Nicaragua and Afghanistan, and proclaimed nearly the entire world as the zone of its "vital interests."

To "defend" these interests, the U. S. interference wherever developments do not follow the American scenario, took shape and was adopted as guide for action under the present administration. In justifying such actions, the Department of Defense is busy churning out ever new "theoretical grounds" for American armed interference in the affairs of other countries and regions.

Among them are the concept of "low-intensity conflicts" which, allegedly, do not threaten to grow into greater armed clashes, and the concept of "vertical" and "horizontal" controllable escalation of American military interference.

According to American experts, all this is none other than an attempt to blend into a single whole the not always predictable developments in individual regions, depending on many circumstances and factors, and put this "single whole" into the overall context of Soviet-American relations.

H. Roderick, an American physicist and well-known authority on problems of preventing nuclear conflict, says that such actions may bring about a global conflict.

Another authority, Professor A. Cohen of Harvard University, investigating U.S. interference in the so-called "little wars" comes to the definite conclusion that, in following the Pentagon's concepts, the U.S. will inevitably expand even local conflicts should it become directly "involved."

There are also such directions in U. S. policy as the unchecked buildup of strategic armaments, for the sake of which Washington refused to observe the SALT-2 treaty, and its plans to deploy systems of space arms.

This course is enhancing to a dangerous extent the risk of nuclear war -- either through premeditated actions, political miscalculation or technical error.

U.S. policy, directed at masterminding a "test of strength" with the Soviet Union and other countries and peoples, is posing ever more dangerous problems for the entire world, and for the U.S. itself.

It is high time that those inhabiting the Washington "corridors of power" take out of the archives the Soviet-American agreement on the prevention of nuclear war and thoroughly study its text. For it was signed also by a President of the United States.

REPORTAGE, COMMENT ON NEW DISARMAMENT PROPOSALS

Chervov Interviewed

PM191436 Rome LA REPUBBLICA in Italian 17 Jun 86 p 12

[Interview with Soviet Army General Nikolay Chervov by Andrea Tarquini in Budapest, date not given]

[Text] Budapest -- "It was the winter of 1941 and the wind and snow lashed at our cheeks and overcoats. I was a few years younger than you, a young lieutenant fresh out of the academy, and it was in that infantry unit that I held my first command -- outside the gates of Moscow, against the Wehrmacht." General Nikolay Chervov relaxed for a moment to recall epic and grim episodes of the past.

He went on, with his combination of old-fashioned pride and nostalgia: "What I mean is that our strategy does not give in so easily in the face of unexpected challenges. If this were to happen it would mean chaos for us." When meeting with journalists, Chervov dons his empire-style khaki uniform and black boots -- a face reminiscent of Anthony Guinn's atop a beribboned dress jacket.

[Tarquini] So, General, how are you coping with the American challenge?

[Chervov] We will respond to rearmament tit for tat, nuclear warhead for nuclear warhead, missile for missile, if they start again. We will never be the first to rearm. Ours remains a defensive strategy aimed solely at national security. We will defend parity at all costs.

[Tarquini] But, General, was it not your excessively large arsenal that prompted an insecure America to protect itself?

[Chervov] No, Reagan told us one thing, then did another. They averred they did not want more strategic missiles than us, while at the same time striving to gain an advantage in other areas -- from cruise missiles to the SDI project. Now not even those weapons are enough for them: They want a return to superiority in strategic missiles. I repeat: We will not permit them to do so. If they violate the treaty, all its restrictions will cease to be valid for us too.

[Tarquini] With what weapons can you respond?

[Chervov] With more heavy missiles, more warheads, and more bombers. Also with missile-launching submarines or other weapons.

We will simple keep up with them, as we have always succeeded in doing since the beginning of the cold war.

Remember, they have never succeeded in gaining a lasting advantage, and they will not succeed this time either. Not even with SDI. The Americans overestimate their technological advantages. Sooner or later we will catch up.

[Tarquini] So will you leave Geneva slamming the door behind you, as you did over the Euromissiles?

[Chervov] No, I am not saying that. The situation in Geneva is difficult and Reagan must bear the responsibility for it. Both before and after the announcement that America is to tear up SALT II we submitted proposals, and they have failed to reply. We want to continue negotiating.

[Tarquini] What have you proposed?

[Chervov] We have submitted a draft agreement on Euromissiles: They insist that we eliminate all our SS 20's, even those deployed in Asia; we respond by offering to eliminate all the SS 20's and SS 4's and also 18 ship-borne missiles from the Baltic in exchange for all the cruise and Pershing missiles. They have not yet replied.

[Tarquini] What do you intend to offer the Europeans? You propose separate negotiations to Paris and London, but you cannot offer the same SS 20's in Geneva, then to the French and British as well...

[Chervov] Yes we can: We are offering them too a reduction in our SS 20's proportionate to their own forces. It depends on how things go in Geneva: If necessary we will also offer to reduce other kinds of weapons. We shall see, once we have started negotiating. We do not have preconceived stances.

[Tarquini] But, General, does the prospect of a nuclear peace without arms limitation not weigh negatively on our strategy?

[Chervov] I repeat: No. What concerns us more are the changes of strategy in Washington: It seems to us that the new American chiefs of staff have fewer reservations about rearmament plans than their predecessors. I believe that the military-industrial complex has a more attentive audience in them.

[Tarquini] Ah, yes, the military-industrial complex. Do you Soviet military leaders realize what a burden you place on your own economy?

[Chervov] We realize it more than you think. It is in the interests of the country's security and stability to have a lull in the arms race that wil permit us to construct new and better cities and to give the people more consumer goods. But believe me: Our people are fully aware of security requirements and will understand us.

U.S. 'Torn by Contradictions'

LD191957 Moscow Domestic Service in Russian 1500 GMT 19 Jun 86

[Aleksandr Zholkver commentary]

[Text] In many foreign responses on the new Soviet 5-year plan it is noted that our large-scale plans are indisolubly bound with the kind of foreign policy aimed at peaceful construction and at all-round international cooperation. It is true that if one of the most important characteristics of our plan is the speeding up of the country's socio-economic development, then for the USSR's foreign policy at the current stage a distinctive dynamism is inherent.

It is sufficient to list our major peace initiatives in recent times: the presentation of a concrete plan for full nuclear disarmament and the continuation for another 6 months of the unlilateral moratorium on all nuclear explosions; a draft agreement to eliminate Soviet and U.S. medium-range missiles in Europe and the new proposal in Geneva to limit strategic offensive arms; a complete program, agreed with other socialist countries, to cut armed forces and conventional weapons in Europe; and the USSR's new initiatives to eliminate chemical weapons and to prevent the militarization of space.

It is not surprising that in the West they are beginning to speak of the new peace offensive of the Soviet Union and the rest of the socialist community. Willy Brandt, chairman of Socialist International, points out that the East has again, as it has so often done in recent times, grasped the initiative for a public discussion of the possibility of limiting arms.

What is the West, and primarily the United States, doing at the same time? Their present policy can well be called the policy of refusal: refusal to end nuclear tests, refusal to recognize existing accords on strategic arms, refusal to leave space free of weapons. True, taking into account the public mood, it seems that Western capitals, including Washington, are no longer taking the risk of repeating in all possible ways only the word "no". The governments of several West European countries have positively appraised the Budapest appeal of the Warsaw Pact states. Even in the White House this time they did not, as they usually do, reject the Soviet proposals immediately, but promised to study them seriously. In this connection, the U.S. press itself writes that Washington's administration is torn by contradictions on the question of the new Soviet proposals. Well, as the saying goes, we live and learn, but in either case, as it was stressed both at the plenum of the CPSU Central Committee and at the USSR Supreme Soviet we shall continue to do in future everything possible for the preservation and strengthening of peace.

Weinberger Criticized

LD200952 Moscow in English to North America 2300 GMT 19 Jun 86

[Text] The United States Defense Secretary Caspar Weinberger, has rejected some key elements of a new Soviet arms control proposal dealing with space weapons. Here are some details:

Mr Weinberger said he opposes any moves that would prevent the United States from withdrawing from the ABM Treaty. The Soviet Union has proposed that the two countries abide by this treaty for at least 15 more years, while SDI research be restricted to laboratory work. Simultaneously, the Soviet Union and the United States could cut their strategic forces, that is land- and sea-based ICBMs and bombers, to equal levels, whereas medium-range weapons capable of reaching the territory of the other side, including long-range cruise missiles, could be dealt with separately. True, this country would prefer a radical, 50 precent, cut in the strategic offensive arms but we could settle for an interim offer if it helps to open up new prospects for an onward movement in arms control.

Having said "no" to key elements of the Soviet offer on keeping the SDI down to laboratory work, the Pentagon couldn't do better in explaining where the White House stands. First of all, the 1972 ABM Treaty is most likely to become its next victim following the SALT II treaty. Without killing the ABM Treaty the rout of the Soviet-American arms control and disarmament structure would be incomplete. And secondly, in the near future we can expect another flare-up of anti-Soviet rhetoric to justify the abandonment of the ABM Treaty by the United States.

That was the case with the killing of SALT II and it is going to be the same with the ABM accord.

On one hand the White House is poisoning the political climate in bilateral relations. On the other hand it has been urging a new summit as a vital means of improving them. We know that life is full of paradoxes, but there has to be a limit.

KARPOV MEETS WITH PUGWASH MOVEMENT LEADER

LD172045 Moscow TASS in English 2035 GMT 17 Jun 86

[Text] Geneva June 17 TASS -- Viktor Karpov, head of the Soviet delegation to the Soviet-American talks on nuclear and space armaments, met here today with Dr Martin Kaplan, general secretary of the International Pugwash Movement, and Professor Bernard Feld, chairman of the movement's executive committee.

The Soviet side set out the USSR's principled approach to arms control problems, directed at preventing an arms in outer space, ending it on earth and eliminating all nuclear weapons by the turn of the century. It was shown that the USSR's practical proposals at the talks ensured everything necessary for the earliest reaching of effective mutually acceptable agreements in this field. On their part, the representatives of the Pugwash movement highly assessed the Soviet Union's positive steps directed at averting the nuclear threat and strenghtening universal security. They pointed to the great importance of the USSR's unilateral moratorium on nuclear explosions.

GRINEVSKIY COMMENTS ON STOCKHOLM CONFERENCE

LD171832 Moscow Television Service in Russian 1430 GMT 17 Jun 86

[Commentary by N. Kepko; from the "Vremya" newscast]

[Text] The work of the Stockholm Conference on Confidence-Building Measures and Security and Disarmament in Europe has entered the final stage. The entire attention of its participants is currently focused on working out the formula of the final document. The beginning of the session's work coincided with an event of particular importance -- the conference of Political Consultative Committee of the Warsaw Pact member-states. They addressed a program to the NATO member-states and to all European countries that provides for reduction of the Armed Forces and conventional arms in Europe.

At a press conference held here, Comrade Grinevskiy, the head of the Soviet delegation, emphasized that the Stockhold conference was, likewise, expected to play a part in the process of turning Europe into a continent of stable peace. As has been stated in Budapest, a successful completion of the Stockholm conference would make a contribution to strengthening security and trust in Europe and would create more favorable conditions to move into the examination of the disarmament question on an all-European scale.

[Begin Grinevskiy recording] We are not among those who paint the Stockholm forum's prospects in gloomy colors and who already predict that it will fail, referring to the time factor. After all, time can also act as a catalyst for those who know how to value it.

Acting in this spirit, a constructive spirit I would say, I would add, we put forward new proposals for the forthcoming session too. We expect steps to be taken in response and the ball is now in our NATO partners' court. [end recording]

U.S., UK VETO OF S. AFRICAN SANCTIONS DEPLORED

LD191723 Moscow World Service in English 1310 GMT 19 Jun 86

[Vladyslav Chernukha commentary]

[Text] The United States and Britain have vetoed a draft resolution of the United Nations Security Council denouncing the latest South African act of aggression against Angola, the bombing of Port Namibe by South African naval boats, (?and acts) of sabotage against three merchant ships of the Soviet Union and Cuba there. Commentator Vladyslav Chernukha supplies the details:

With their veto, the United States and Britain oppose themselves to the overwhelming majority of Security Council members and practially to the entire world community. This has happened many times. It is less than a month since the United States and Britain blocked the Security Council denouncing the raid of racist South Africa against Zimbabwe, Zambia, and Botswana. The raid resulted in the destruction of civilian targets and civilains casualties.

It is absolutely evident that the existence of the apartheid regime threatens the stability and security of the independent countries neighboring on South Africa. Delegates of many countries of the Security Council said that the apartheid regime has to be abolished to remove this threat and put an end to the great racial and social oppression of the dark-skinned population of South Africa.

With this purpose the draft resolution called for general mandatory economic sanctions against Pretoria. Delegates to the current world conference on sanctions against racist South Africa in Paris also insist on this. It is notable that the United States, Britain, and Federal Germany are absent from the conference. Washington and London have again rejected tough measures against the bloody apartheid regime.

The White House spokesman, Larry Speakes, has (?said) that such measures should not be expected. Is this surprising? The United States, Britain, and other Western powers that are not so openly proracist do not want changes in South Africa because the apartheid regime safely protects their political, economic, and military strategic interests in southern Africa. That is why they maintain close trade and economic ties with the regime and continue to arm it. The support and assistance of the capitalist West make it an accomplice of the racists and their crimes. And the veto only encourages the racists to new crimes.

BLIX SPEAKS ON RESULTS OF IAEA SESSION

PM190935 Moscow PRAVDA in Russian 18 Jun 86 First Edition p 5

[TASS report: "H. Blix on Nuclear Power"]

[Text] Vienna, 17 Jun -- Speaking at a press conference at the Vienna UN center, Hans Blix, director general of the International Atomic Energy Agency (IAEA), dwelt on the results of the routine session of the IAEA Board of Governors held in the Austrian capital.

He stressed that one of its main results was the adoption of a decision to convene a special session of the IAEA general conference in Vienna at the end of September this year, to examine a rnage of questions connected with measures to set up an international regime for the safe development of atomic energy.

This decision, Blix noted, was adopted on the proposal of the Soviet Union and other states.

At the press conference the IAEA director general came out in favor of the continued use of the atom as an energy source, stressing that there is now no alternative. In a statement published in the newspaper DIE PRESSE, H. Blix also pointed out that the accident at the Chernobyl AES should not be an obstacle to the further utilization of nuclear power for peaceful purposes. Accidents which have happened in other sectors of industry, in particular at the American company Union Carbide's plant in the Indian city of Bhopal and at the chemical enterprise in the Italian city of Seveso, the statement says, "have had far more devastating consequences for people and the environment."

ANTI-SOVIET AMNESTY INTERNATIONAL CRITICIZED

PM161003 Moscow SOVETSKAYA ROSSIYA in Russian 1 Jun 86 Second Edition p 3

[A. Izotov article: "Amnesty International in Search of Characters: The People Whom the Subversive Organization Watches Over"]

[Text] From time to time Western publications loudly publicize an organization which grandly calls itself Amnesty International. Western citizens are invited to become members of it and give material and moral support.

The Secretariat of the organization, whose headquarters are in London, is extravagant in its promotion. Reading Amnesty's prospectuses you might think that its main task is concern for "people who are not afraid to express and defend their convictions." Our credo is objectivity!" the Amnesty bosses try to persuade you. "It does not matter to us which country it is, our aim is merely to help people who are being oppressed."

It all looks very noble, does it not? That is the publicity, and that is where Amnesty's objectivity stops.

In the late seventies the American press published a noteworthy article by (Denis Gulet) from Washington's Overseas Development Council [name of organization as published]. (Gulet) advocated that the U.S. Administration encourage Amnesty International's activity. However, he added significantly that "Such help must be given in such a way as to avoid creating the impression that the organization is an instrument of U.S. policy." There is no doubt that (Gulet's) recommendation of conspiracy -- and it cannot be described otherwise -- was carefully read by those who from time to time provide Amnesty International with financial aid.

The organization's leadership doggedly repeats that it exists only on membership fees and other kinds of "individual donations." But here is an interesting observation made by the Swedish newspaper NORRSKENSFLAMMAN: "It is said that money does not smell. Here are just a few words about Amnesty International's main budget. In 1969-1970 it amounted to 33,000 pounds. Five years later, in November 1975, it had already decoupled. And that was precisely the year in which Amnesty published an extensive report on 'prisioners of conscience' in the Soviet Union. In the 1980-1981 budget year it already amounted to 2,092,810 pounds! Every local group contributes 30 pounds per year. How could Amnesty International's income have grown 10 times while groups' contributions grew by less than 30 percent? Work it out for yourself!"

Amnesty's activists are particularly zealous in watching over so-called "prisoners of conscience" in the USSR, while paying no attention to real infringements of human rights in, say, El Salvador or Grenada. Amnesty also failed to notice the horrors which occurred in the Belfast concentration camp of Long Kesh, where 10 hunger-strikers died in the fall of 1981.

Amnesty's bosses had no qualms about openly stating at that time that they "are not looking at the case of a single prisoner in Northern Ireland." Indeed not; such protection, after all, would not suit the British Intelligence Service, which along with the American CIA, had the most direct bearing on the birth of Amnesty International.

True, it is not easy for Amnesty International. The lack of human rights violations in the socialist countries does pose a problem. They have, for example, called war criminals, who betrayed the motherland during the Great Patriotic War and executed hundreds of Soviet patriots, "champions of human rights" and "prisoners of conscience" in socialist countries. And sometimes it simply invents nonexistent "martyrs," like, for example, "(Mikhail Khaugk), an engineer from the GDR."

But Amnesty does occasionally come across real characters. Who are they, then? I.N. Slovesnov from Saratov, for example. It will probably come as a revelation to many of Amnesty's ordinary members that their organization defended a dangerous common criminal. No petty thief or pickpocket... Let us cite the judgment of the Saratov Criminal Court Penal Division pronounced on 24 May 1985: "The defendant I.N. Slovesnov, on the night of 25-26 May 1984, placed in the car of A. an explosive device which he had manufactured and primed with the intention of murdering the latter.

"At 0800 hours on 26 May 1984 A., unaware of the danger, got into the car. The explosive device was activated, an explosion occurred in the passenger compartment, and a fire broke out."

A. died on the same day. Slovesnov was sentenced to the ultimate penalty for murder -- execution by shooting. Amnesty immediately began beating the drum. Its bosses were not in the least put off by the fact that Slovesnov in no way fitted the category of "fighter for his convictions." What interested Amnesty was the fact that Slovesnov lived in the Soviet Union, as opposed to anywhere else. Amnesty stopped at nothing in this case, and that included violation of its own charter. The charter reads: "...to fight for the liberation of and give help to people... PROVIDED (this word is underlined in the London secretariat's document -- A.I.) that the people have not themselves used violence or called for violence on the part of others."

Recently Amnesty International has defended V.Ya. Yegorov and V.V. Kommissarov. Let us again look at the material from the court sessions, which took place in the Belorussian SSR last year. They show quite clearly precisely whom Amnesty International decided to defend. Yegorov and Komissarov had carried out armed robbery and thefts from stores and also stolen citizens' personal property on several consecutive days. They were detected in the village of Marusino, Rogachevkiy Rayon, by precinct militiaman V.N. Stepanov. The armed criminals attacked him, tied him up, and took him by motorcycle to a wood. The proceedings of the court session of 18 September 1985 read: "At approximately 1 and 1/2 km from from the village of Marusino, Yegorov, by prior agreement with Komissarov, killed V.N. Stepanov with two shots to the head from a Mauser pistol.

"Yegorov and Komissarov then took the corpse by motorcycle to a reservoir... tied the corpse to the motorcycle and sank it together with V.N. Stepanov's corpse in the reservoir in order to conceal the traces of the crime."

Remember: "PROVIDED the people themselves have not used violence..." How can this proviso possibly be compatible with the murder of Junior Militia Lieutenant V.N. Stepanov? And how can Amnesty's noble publicity slogans be compatible with its real concerns? They cannot be. And that is understandable. Because there is no way you can link Amnesty's anti-Soviet activities with slogans of objectivity.

REPORTAGE ON REAGAN MEETING WITH REBEL LEADER

U.S. Policy Hit

LD171317 Moscow TASS International Service in Russian 0915 GMT 17 Jun 86

[Text] Washington, 17 Jun (TASS) -- In the U.S. capital the ringleaders of a number of anti-Afghan dushmen gangs who have arrived here and who are carrying out terrorist raids on Afghanistan from basis on the territory of neighboring Pakistan, are being met with open embraces. On Monday, they were received in the White House by President Reagan. The dushmans were also met by U.S. Congress leaders and high-ranking representatives of the administration.

The bandits, who were brought to Washington with money from the "public" organization "Committee for a Free Afganistan," widely known as a cover for the CIA, has been pushing the White House for an increase in modern weapons, and also, no more, no less "official diplomatic recognition by the United States.

At the meeting in the White House, the U.S President, making spiteful anti-Afghan statements, again promised "not to let down" the "freedom fighters," as the bandits are called in Washington. Decoding his promise, a representative of the State Department reported that the United States is "providing all necessary support" to the terrorists. He left no doubt that in this concept he includes the supply of modern arms.

As reported by THE WASHINGTON POST, the administration's annual aid to the Afghan dushman through various secret channels amounts to $500 million. The newspaper also notes that, according to certain information, the United States has recently already given the bandits 300 portable anti-aircraft "Stinger" missiles, and also 150 launchers for them. Moreover, the newspaper writes, these missiles "have already been actually used."

The warm welcome extended in Washington to the ringleaders of the anti-Afghan bandit units clearly shows that the United States is hindering a settlement to the situation surrounding Afghanistan, by stepping up the "undeclared war" against this country.

LAST LINE

Paper Condemns Meeting

LD181508 Moscow TASS in English 1345 GMT 18 Jun 86

[Text] Kabul June 18 TASS -- President Reagan gave a red-carpet welcome to the ringleaders of the Afghan counterrevolution Rabbani, Gaylani, Nabi Muhammadi and Majaddedi, writes the Afghan newspaper "HAQIQATE ENQELABE SAWR".

Reagan again voiced full support for the counterrevolutionaries, egging them on to new murders, acts of plunder and subversion. The reception in Washington, the paper stresses, confirmed that exactly the United States bears the main responsibility for the suffering that have fallen to the Afghan people's lot.

The aims of the "friendly conversation" in the White House are an open secret. On the one hand, "HAQIQATE ENQELABE SAWR" points out, the President of the United States tried to give the bandits' visit an "official status" and, on the other hand, to bolster their desire to continue the struggle against their own poeple by promising them new military deliveries. At the same time another aim of the meeting in Washington was to create new obstacles for the Afghan-Pakistani talks in Geneva.

The reception of the ringleaders of the counterrevolution demonstrated the true worth of the statements by American officials about the striving of the United States for a political settlement of the situation around Afghanistan, the paper notes.

Dushman Leader Rapped

LD182032 Moscow TASS in English 1506 GMT 18 Jun 86

[Text] Moscow June 18 TASS -- The IZVESTIYA correspondent in Kabul Gherman Ustinov writes today about Burhanuddin Rabbani, one of the leaders of the Afghan counterrevolution, who was in the group of "dushmans", counterrevolutionaries, received recently by President Reagan in the White House.

"Rabbani will not be seen on secret trails clutching a submachine gun. All the dirty work is done for him by mercenaries listed with the 'Islamic Society of Afghanistan' (ISA), which he heads", the paper writes.

"The 'society' received the revolution of 1978 with hostility. Rabbani began to form a bandit army in Pakistan. With the help of the Central Intelligence Agency of the United States and other special services the ISA set up dozens of camps near the Afghan border for the military training of the counter-revolutionaries".

"Rabbani demands of his bands constant activity and ruthlessness on Afghan soil. These bands have on their conscience thousands of killed and tortured people, numerous instances of arson and explosions. Rabbani's agents put poison in drinking water at the lyceum for girls in Kabul -- an atrocity that shocked the whole of Afghanistan. "Terror is my weapon", Rabbani told a recent press conference in Peshawar.

"And such a man is received with pomp in the White House! And solidarity is expressed in public with such an inveterate ringleader of murderers and hangmen! What after this is the worth of the loud statements by American politicians about the need to uproot international terrorism?" the correspondent queries.

REAGAN RECEPTIONS FOR CONTRAS, AFGHANS HIT

LD191741 Moscow TASS in English 1640 GMT 19 Jun 86

[Text] Moscow June 19 TASS -- TASS News Analyst Leonid Ponomarev writes: On Wednesday [18 June] the U.S. President received in the White House with pointed pomp a group of ringleaders of the Nicaraguan "contras," the CIA mercenaries. Two days previously a "cordial" meeting took place between the White House chief and other administration officials and Afghan dushmans, who also are in the pay of the CIA and other U.S. secret services.

The fact that the mercenary leaders were received as important political personalities was a deliberate act of provocation. The Washington administration will willingly strike a deal even with the devil just to have an opportunity to intervene with brute force, terror and subversion in the internal affairs of states following independent policies.

As a matter of fact, the White House has no need to make an alliance with the counter-revolutionaries because they are an offspring of Washington's policy, have been recruited and united into gangs by the CIA and are used exclusively to further the interests of the U.S. ruling classes.

The Nicaraguan contras and Afghan dushmans were given assurances of the commitment of the U.S. leaders to undeclared wars against Afghanistan and Nicaragua and promises of further arms supplies.

This anti-Afghan and anti-Nicaraguan provocation was organized by the White House in spite of official relations maintained by the U.S. Administration with Managua and Kabul. This is a paradox in international relations but not in the policy of the current administration. Intervention in the affairs of other countries, including intervention aimed at overthrowing their regimes has now been institutionalized as a long-term strategy and official policy. The Washington leaders are openly subsidizing counterrevolution in many countries.

The contras paid with American dollars are killing and mutilating during their raids the civilian population in Nicaragua's frontier areas whom, if we are to believe Washington, they would like to "liberate" from the Sandinistas. The Afghan dushmans referred to by the White House as "Islamic fighters" do not spare even children in raids launched from Pakistani territory and wipe off whole villages.

Since an undeclared war was launched by the USA against Nicaragua, the gangs of contras, consisting for the most part of former Somozista cut-throats, have not spared a single captured Nicaraguan. But Washington continues hypocritically to praise the lofty "moral ideals" of the contras, their "humanism," etc. One can imagine what the Washington administration would do if some government maintaining relations with the USA received a group of persons committed to the violent overthrow of the U.S. Administration and receiving weapons for the purpose.

Luckily, the overwhelming majority of people are not devoid of a sense of responsibility and would like to maintain equal and orderly relations among nations. Is it not time for Washington to disabuse itself of its hegemonistic ambitions and claims to exclusiveness and to respect elementary rules of conduct on the international scene and in relations with other countries?

U.S. TRAINS FOR STRIKE AT SOVIET FAR EAST

OW180629 Moscow Television Service in Russian 1045 GMT 17 Jun 86

[From "The World Today" program; presented by Eduard Mnatsakanov]

[Text] Large-scale landing exercises with the participation of Marines and warships of the U.S. Seventh Fleet have begun in the Japanese island of Okinawa. The Pentagon has decided to transfer another squadron of F-16 fighter bombers, capable of carrying nuclear weapons, to the U.S. air base in Honshu Island ahead of schedule. These are just two more facts among a multitude attesting to increasing U.S.- Japanese military potential.

In one of our reviews we cited a report by the Japanese newspaper AKAHATA that the armed forces of Japan and the United States were working out plans for a joint attack on the Soviet Kuril Islands and Sakhalin in case of so-called extraordinary circumstances. A number of additional details about these plans have come to light. According to the same newspaper, the commandant of the U.S. Marine Corps, General Kelly, admitted for the first time in January, that the Pentagon, with the help of its allies, intended to strike a blow at Sakhalin and the Kuril Islands in the event, as he said, of a military flare-up in any other region, like central Europe for example.

According to reports from Tokyo, the area occupied by U.S. military bases on Hokkaido has tripled. The deployment of U.S. fighter and bomber aircraft in the north of Japan is going ahead at full speed. Provocative exercises for a strike group of U.S. ships are planned in the Sea of Japan.

It is appropriate to mention, in relation to this, that the United States has rejected our proposal to reduce, on the basis of parity, or better still to liquidate entirely, the Soviet and U.S. nuclear forces on the European Continent. It demands that the Soviet Union liquidate similar forces beyond the Urals, that is, in the Asian part of our country.

What does this mean? It turns out that the U.S.- Japanese militarists are actively arming themselves, whereas at the same time they would like to see complete disarmament on our side. Obviously, they will not live to see this. At their Budapest meeting, the Warsaw Pact member-states declared responsibly that they would never, under any circumstances, begin military actions against any state, be it in Europe or any other part of the world, provided they themselves were not objects of aggression.

This is our military doctrine. As far as the madmen who run around with plans to launch attacks against the Soviet Far East are concerned, well, the Soviet Union has more than enough strength to bring them to their senses.

ROLE OF 'ASSAULT ECHELON' U.S. NAVY

PM191330 Moscow KRASNAYA ZVEZDA in Russian 14 Jun 86 Second Edition p 5

[G. Sturua article: "The Spearhead of Military Adventures; U.S. Navy -- Instrument of Aggressive Policy"]

[Text] The markings on the deck aircraft on the U.S. nuclear aircraft carrier Nimitz are the pirate emblem -- skull and crossbones. Crude force, overt brigandage, and misanthropy are advocated and preached in the United States increasingly blatantly. However, what is characteristic in this case that the pirate emblem used by the aircraft of one aircraft carrier could, with good reason, serve as the emblem of the entire U.S. Navy.

The Navy is traditionally used by Washington as the assault echelon in all kinds of military adventures and acts of state terrorism. Admiral Watkins, former chief of staff of the U.S. Navy, admitted that "between 1946 and 1982 on approximately 250 occasions when U.S. Armed Forces were used, the naval forces were the main factor in our response in approximately 80 percent of crisis situations." He added: "Although we are not in a war situation, the scale of our operations is approximately 20 percent higher than during the years of the Vietnam war."

In its pursuit of military superiority Washington is building up its naval forces on an unprecedented scale. Thus, according to the press, the Pentagon is planning to increase the size of the Navy from the present 540 combant units [boyevyye yedinitsy] to more than 600 by the end of the current decade. The number of aircraft carrier groups is to be increased from 13 to 15. The political blessing to this abrupt leap in the naval arms race was given at the highest level during the commissioning ceremony for the battleship New Jersey: "Superiority at sea," the head of the White House said, "is a must for us... We must be able to control air, surface, and submarine space so as to ensure our access to all the world's oceans."

However, the purely quantitative increase of the fleet of U.S. warships is only one side of the militarist coin. The other side being the qualitative changes in the nature of the tasks assigned to the U.S. Navy. According to a statement by the Pentagon chief, a paramount task of the Navy henceforth will be not only operations in sea lanes but also strikes against land targets.

For more than quarter of a century now the task of delivering strikes from the sea against the territory of the opponent was assigned to nuclear missile submarines (SSBN's). As is known, they are part of the strategic forces and come under a different "department," so to speak, as the marine component of the so-called strategic "triad." Equipped with long-range, high-precision missiles, the SSBN's have become a first-strike weapon system. This system gets extensive coverage in the press. I would like to point out that the 1987 budget makes provision for the appropriation of means for the construction of an Ohio class submarine missile carrier, the 14th. The Pentagon is also expecting to obtain the means needed by the Navy to purchase Trident-2 missiles, with which missile submarines are to be equipped beginning in 1989. The Pentagon intends to build a total of 20 Ohio class SSBN's of which, according to the press, 7 are already in service.

Implementing the program for the so-called "nuclear rearmament" of America, the present U.S. Administration is equipping not only its strategic forces but also its general purpose forces including the Navy with new combat means at an accelerated rate.

Suffice it to say that in 1983 the Navy accounted for 2,765 (25.5 percent) of the 10,820 various nuclear munitions in the arsenal of the general purpose forces, according to foreign press reports. In the assessment of foreign military exports, around 250 warships of the general purpose forces are nuclear-equipped or nuclear-capable. They include 13 aircraft carriers, 3 battleships, 28 cruisers, around 70 destroyers, 60 frigates, and 75 multipurpose nuclear submarines. It is assumed that an aircraft carrier can carry up to 140 nuclear munitions, and a cruiser or destroyer up to 20.

Here it must be emphasized that among the various types of nuclear weapons with which the U.S. Navy is equipped, the Tomahawk nuclear cruise missiles are beginning to play an increasingly important role. As Admiral Hostettler, in charge of the program to equip the Navy with cruise missiles, has said, the Tomahawks represent an important nuclear weapon in the U.S. arsenal that adds new qualities to naval warfare. It is a question here of the Pentagon's endeavor to increase the potential of the general purpose forces by means of the cruise missiles, to turn these forces into a substantial reserve and, essentially, into a component of the strategic means. According to the foreign press, the U.S. Navy is planning to have around 4,000 cruise missiles by the beginning of the 1990's, including 758 nuclear-tipped cruise missiles. It is planned to increase the number of ships equipped with cruise missiles to 175-200 within the next few years.

Another type of mass destruction weapon the Pentagon is planning to use to achieve military superiority over the Soviet Union at sea are chemical weapons. The well-known program for "chemical modernization" applies to all branches of the armed forces, including the Navy. And, as the Western press notes, it is especially ominous that the Pentagon seeks to equip not just warships but also transport ships with chemical weapons.

The tempestuous quantitative buildup of the fleet of warships and their equipment with mass destruction weapons is accompanied by a reinforcement of the offensive, aggressive postulates of the notorious U.S. "ocean strategy." The old thesis "he who rules the seas, rules the world" proclaimed back at the end of the last century by the ideologist of U.S. imperialism Admiral Mahan is given concrete expression in the aggressive foreign policy course of contemporary America. Thus, the aforementioned Admiral Watkins in a report on U.S. naval strategy importunely calls for containement "at the brink of war." It abounds in expressions such as "show of strength," "embark on destruction," "engage in neutralization."

The latest piratical actions of the U.S. armada, including three aircraft carriers, near the Libyan coast show that these words are not just rhetoric. Every unprejudiced person regards Washington's blatantly piratical actions with respect to Libya as the concrete implementation of the doctrine of "neoglobalism" which envisages U.S. interference in the affairs of sovereign states and the kindling of tension in various parts of the world. The most dangerous instrument of this interference are the U.S. Armed Forces and in particular the Navy, which operates as the spearhead in military adventures and has earned for itself the infamous nickname imperialism's "floating gendarme."

A most important contribution to the improvement of the international atmosphere could be made by ending the arms race on the seas and in the oceans, by limiting naval activity. The USSR has repeatedly expressed its readiness to reach an agreement with the United States on the mutual limitation of naval operations and the extension of confidence-building measures to the seas and oceans. The blame for the fact that these questions have so far not been properly resolved falls squarely on the United States.

UN OPPOSES U. S. ATTEMPTS 'TO COLONIZE' MICRONESIA

LD140522 Moscow TASS in English 1735 GMT 13 Jun 86

[Text] Moscow June 13 TASS -- TASS Political News Analyst Askoid Biryukov writes:

The recent regular session of the subcommittee on small territories of the U.N. Decolonization Committee in New York demonstrated that the world community had no intention of yielding to the neocolonialist ambitions of Washington, bent on annexating a U.N. trust territory, the Pacific islands (Micronesia). In late May, exploiting the mechanism of "Western solidarity," the Western powers pushed through the U.N. Trusteeship Council a Washington-designed draft resolution actually approving the U.S. annexation of that U.N. trust territory. The resolution suggested that the agreement on the U.N. administration of the Pacific islands as a trust territory be cancelled because the United States had allegedly fulfilled satisfactorily its commitments under that agreement. Washington, encouraged by such a turn in the matter of the status of Micronesia, was already gleefully rubbing its hands. Yet the matter was not closed with the resolution of the U.N. Trusteeship Council, in which the Western powers have the majority. The participants in debates at the meetings of the subcommittee on samll territories strongly demanded that the United States be not allowed to colonize the Pacific islands under the pretext of the cancellation of trusteeship. The delegates to the session forcefully demonstrated that the United States, far from having fulfilled the trusteeship agreement, had deliberately plunged the economy of the trust territory into chaos, made it fully dependent on the USA, and turned the Pacific islands into the Pentagon's happy hunting grounds. Shortly after Micronesia had been placed under the U. S. Administration as a trust territory, it was turned into a testing range for weapons of mass destruction. The more than 60 atmospheric explosions of atomic and hydrogen bombs by the Pentagon during 20 years demolished whole atolls, caused loss of life and radiation sickness among the local population. Many Micronesians continue to suffer from radiation sickness today. It is one of the numerous examples showing how the USA was carrying on the humanitarian mission, entrusted to it by the world community, of creating favourable conditions for the independent development of trust territory and enabling its population freely to decide their destiny. [TASS does not complete transmission of item].

FURTHER ON HU YAOBANG'S W. EUROPE VISIT

Meets French CP's Marchais

LD191753 Moscow TASS in English 1746 GMT 19 Jun 86

[Text] Paris June 19 TASS -- General Secretary of the Central Committee of the Communist Party of China Hu Yaobang, on an official visit here, met with General Secretary of the Central Committee of the French Communist Party Georges Marchais today.

French President Francois Mitterrand and Hu Yaobang held a joint press conference on the same day.

Arrives in Italy

LD191838 Moscow TASS in English 1825 GMT 19 Jun 86

[Text] Rome Jun 19 TASS -- General Secretary of the Central Committe of the Communist party of China Hu Yaobang today arrived for an official visit in Italy. This is the fourth country, after Great Britain, the FRG and France, that he visits during a tour of West European countries.

In Rome, Hu Yaobang will hold talks with the head of the Italian Government, President of Italy, other officials, as well as members of the leadership of the Italian Communist Party. Later he will visit Venice and Turin.

CULTURAL COOPERATION CEREMONY HELD IN MOSCOW

OW190159 Moscow in Mandarin to China 1700 GMT 18 Jun 86

[Text] Dear listeners, we have already reported that a delegation from the Chinese People's Association for Friendship With Foreign Countries and the China-USSR Friendship Association, led by its Vice Chairman Yang Shouzheng, has been visiting the Soviet Union. A 1986-87 cooperation plan was signed today between the Union of Soviet Societies for Friendship and Cultural Relations With Foreign Countries and the Soviet-Chinese Friendship Society and the Chinese Peoples's Association for Friendship With Foreign Countries and the China-USSR Friendship Association at the International Friendship house in Moscow. The following is a report by our station reporter on the signing ceremony.

Signing the cooperation plan were Academician Tikhvinskiy, chairman of the Central Council of the Soviet-Chinese Friendship Society, from the Soviet side, and Yang Shouzheng, vice chairman of the China-USSR Friendship Association, from the Chinese side. After signing the document, Academician Tikhvinskiy made a brief speech.

[Begin Tikhvinskiy recording in Russian fading into Mandarin translation by announcer] The 1986-87 plan, which includes the provisions for continuing to develop Soviet-Chinese cultural relations through friendly channels, is a continuation of cooperation between our two organizations based on the successful fulfillment of last year's plan. It is a clear expression of the desire of both sides to develop friendship and cooperation between the Soviet and Chinese peoples. The Soviet people firmly believe that to consolidate and develop friendly and good-neighborly relations with socialist China, our great neighbor, accords not only with the interests of our two countries and peoples but also with the interests of peace and socialism.

The 27th CPSU Congress called on us to deepen the process of promoting such relations. I am convinced that the new cooperation plan will be smoothly implemented and contribute to further developing the relations between the Soviet Union and China. [end recording]

Then Yang Shouzheng spoke. [Begin recording] Entrusted by the Chinese People's Association for Friendship With Foreign Countries and the China-USSR Friendship Association, I have signed the 1986-87 cooperation plan here today. It is an important step in developing friendly and cooperative relations between our two amity organizations in a planned and stable manner. Since resumption of contacts between our two organizations in 1983, (?our friendly and cooperative relations have advanced steadily) through exchanges of visits by our organization leaders. The Chinese people cherish their traditional friendship with the Soviet people, and sincerely hope that such friendship will continue to develop. The signing of the 1986-87 cooperation plan will facilitate the realization of their hope. The Chinese People's Association for Friendship With Foreign Countries and the China-USSR Friendship Association will (?strive to implement and fulfill) the plan. [end recording]

ACADEMICIAN LAUDS CHINA'S SUN YAT-SEN

LD192117 Moscow World Service in English 1430 GMT 19 Jun 86

[Text] Public ceremonies have been held in Moscow to commemorate an outstanding government and public leader of China, Sun Yat-sen. The chairman of the Soviet-Chinese Friendship society, Academician Sergey Tikhvinskiy, noted the great contribution of Sun Yat-sen to the victory of the national liberation struggle of the Chinese people, to the building of a new China, and to the development of Chinese-Soviet friendship. The meeting was attended by delegations of the Chinese Society of Friendship with Foreign Countries and the Society of Chinese-Soviet Friendship.

WOMEN'S FEDERATION OFFICIAL DISCUSSES USSR VISIT

OW180501 Moscow in Mandarin to China 1700 GMT 17 Jun 86

[Excerpts] A delegation from the All-China Women's Federation, led by Wang Shuxian, member of the Standing Committee and secretary of the Secretariat of the federation, visited the Soviet Union from 1 to 16 June. During their visit, members of the delegation were met by Tereshkova, chairman of the Soviet Women's Committee and woman cosmonaut. They also visited many Soviet cities. Following is a recorded talk by Comrade Wang Shuxian, in an interview with our station reporters, about her impression of the Soviet Union.

[Begin Wang recording] The Chinese women's delegation has visited the Soviet Union at the invitation of the Soviet Women's Committee. We are very pleased with the resumption of contacts between women of the two countries, after a rupture of ties for more than 2 decades for reasons everyone knows. A Soviet women's delegation visited China last October. It is our pleasure to pay a return visit. Our itinerary covered Moscow, Leningrad, Kiev, [city name indistinct], and Riga. During our stay in these cities, we had exchanges with Soviet women from various circles.

Through the current visit we have strengthened our mutual understanding and friendship with Soviet women. We are very impressed with our fruitful visit. There exists great potential for exchanges between Chinese and Soviet women in the fields of science, technology, health, medicine, and children's education. We hope that the existing ties will be further strengthened and consolidated. [end recording]

DPRK PRESS ON CALL FOR TALKS WITH ROK, U.S.

LD191754 Moscow TASS in English 1432 GMT 19 Jun 86

[Text] Pyongyang June 19 TASS -- The peace initiative of the Democratic People's Republic of Korea (DPRK) on negotiations with the participation of military leaders of the DPRK, the USA and South Korea is aimed at removing the danger of a new war on the Korean peninsula, notes the North Korean press today.

The people's armed forces of the DPRK are against the policy of aggression and war, points out "NODONG SINMUN". This is beyond any doubt. Therefore the USA, South Korea and some western countries should stop slanderous propaganda about a mythical "threat of an attack on the South" and the fanning of tension in the region, which is being intensified by them under the cover of these allegations. The interests of defusing the explosive situation on the Korean peninsula demand an end to stockpiling armaments and to war games conducted by the USA in South Korea. This question can be tackled by those who wield real power in the military field.

It is impossible to remove the feeling of hatred and mistrust between the North and South in the situation pregnant with the danger of war and, consequently, it is difficult to reach a fruitful dialogue in Korea and peaceful unification of the country. That was why the military leaders of the DPRK put forth the proposal whose aim is to reach understanding on these vitally important issues agitating not only the Korean people but all peace-loving mankind.

The response of the USA and the South Korean side to the DPRK's proposal will show what they are striving for on Korean soil -- peace or war, notes the newspaper "MINJU CHOSON".

ROK-DPRK TALKS ON OLMYPICS HELD IN LAUSANNE

SK140555 Moscow International Service in Korean 0930 GMT 12 Jun 86

[Text] A leader of the DPRK Olympic Committee and a leader of the South Korean Olympic Committee began a new round of talks in Lausanne on the possibility of holding the 1988 Summer Olympics in the North and South. This meeting is being held with IOC President Antonio Samaranch attending.

Although Seoul has been chosen as the venue for the 1988 Olympics, Olympic committees of various countries insist that some of the games be held in sports facilities in People's Korea.

Even the IOC is paying attention to this proposal, which fully corresponds with the idea of peace and friendship.

The current round of meeting is to last for 2 days.

JOURNALISTS DELEGATION ARRIVES IN KABUL

LD162330 Kabul Domestic Service in Pashto 1600 GMT 16 Jun 86

[Text] A delegation of the USSR Union of Journalists headed by Ivan Subkov, vice chairman of the union has arrived in Kabul for a friendly visit at the invitation of the DRA Union of Journalists and responsible secretary of the union, welcomed the delegation of Soviet journalists.

During its 1-week visit to our revolutionary country, the delegation of Soviet journalists will visit mass media establishments and will exchange views with the relevant authrorities on mutual cooperation. The delegation will also conclude and sign a protocol on cooperation between the Afghan Union of Journalists and the Soviet Union of Journalists.

CAPTURE OF REBEL ARMS IN DRA REPORTED

LD122136 Moscow Television Service in Russian 1430 GMT 12 Jun 86

[Report from Afghanistan by M. Leshchinskiy; from the "Vremya" newscast]

[Text] The revolutionary authorities of Afghanistan are carrying out successful work to liquidate the counterrevolutionary bands operating on the Republic's territory.

The Afghan and Soviet servicemen who routed yet another major bandit formation, which had penetrated from Pakistan into the high mountain region in the direct vicinity of Kabul, are now drawn up in a single formation. Having created a fortified zone in the mountains, the dushmans prepared to carry out brigandage on the roads, to fire on city districts with mortars and missiles, and to shoot down civilian aircraft with impunity. It was precisely for this that their Western protectors equipped them with all that was necessary. Here are the weapons on which Western dollars, pounds, and marks are spent; here is the so-called humanitarian aid. [Video shows piles of weapons, soldiers drawn up in line, line of rifles on ground, mine with English wording] One must say that the United States alone plans to spend more than $1 billion this year on supplying weapons to Afghan dushmans. You can see with your own eyes what becomes of these weapons: Now they are mountains of iron, of no use to anybody. This operation to discover the stores of weapons and the convoys, that are still (?coming in) from Pakistan, was carried out by the directorate of the Afghan Ministry of State Security headed by General Jalal.

With respect to military matters, said Gen Jalal, the dushmans are totally demoralized and do not have any (?tactics). They exist only thanks to the money and weapons that continue to come in from abroad through Pakistan. If it were not for these weapons and this money, they would have ceased to exist long ago. However, every day we are seizing increasing quantities of such weapons, destroying stores, convoys, and in the end the enemies will (?be vanquished.) [Video shows Gen Jalal speaking]

ECONOMIC COMMISSION REVIEWS FISHERIES COOPERATION WITH IRAN

LD151903 Tehran IRNA in English 1818 GMT 15 Jun 86

[Text] Tehran, June 15, IRNA -- Irano-Soviet cooperation in the fields of oil, gas, fisheries and transportation were reviewed here Sunday in a meeting between the visiting director-general of the Soviet State Commission on Economic and International Cooperation for Asia and the Middle East, Jacobov, and Iranian Deputy foreign minister for international and economic affairs Javad Larijani.

Larijani said in the meeting that the Islamic Republic of Iran is determined to expand cooperation with the countries with which it has common outlooks. Jacobov announced his country's preparedness to further Irano-Soviet relations.

During his one-week stay in Tehran the Soviet official is to hold talks with the Iranian officials on the forthcoming meeting of the joint ministerial commission of the two countries.

The Soviet official arrived here Wednesday.

RYABOV APPOINTED AMBASSADOR TO FRANCE

LD192208 Moscow TASS International Service in Russian 2150 GMT 19 Jun 86

[Text] Moscow, 20 Jun (TASS) -- The USSR Supreme Soviet Presidium has appointed Yakov Ryabov extraordinary and plenipotentiary ambassador of the USSR to the French Republic.

Yakov Ryabov was born in 1928. From 1958 to 1976 he worked in the party and from 1976 to 1979 he was a secretary of the CPSU Central Committee. From 1979 to 1983 he was first deputy chairman of the USSR Gosplan, and from 1983 to 1984 he was chairman of the USSR State Committee for Foreign Economic Relations. Since 1984 he has been deputy chairman of the USSR Council of Ministers.

The USSR Supreme Soviet Presidium has released Yuliy Vorontsov from his duties as extraordinary and plenipotentiary ambassador of the USSR to the French Republic in connection with his transfer to other work.

NEW FRENCH ENVOY PRESENTS CREDENTIALS

PM161539 Moscow PRAVDA in Russian 15 Jun 86 First Edition p 4

[TASS report: "Friendly Talks"]

[Text] In the Kremlin on 13 June Yves Panyez, ambassador extraordinary and plenipotentiary of the French Republic, presented his credentials to S. Mukashev, deputy chairman of the USSR Supreme Soviet Presidium.

After the credentials were presented and speeches exchanged, talks of a friendly nature were held between S. Mukashev and Y. Panyez.

FRG'S GENSCHER TO VISIT IN LATE JULY

LD191342 Moscow TASS in English 1334 GMT 19 Jun 86

[Text] Moscow June 19 TASS -- Vice Federal Chancellor, Minister for Foreign Affairs of the Federal Republic of Germany, Hans-Dietrich Genscher, is to come to the Soviet Union for an official visit in the second half of July this year at the invitation of the Soviet government.

BELGIAN CP PLENUM MEETS 16 JUNE

LD161747 Moscow TASS in English 1542 GMT 16 Jun 86

[Text] Brussels June 16 TASS -- A plenary meeting of the Central Committee of the Communist Party of Belgium (CPB) has been held here.

A new composition of the Political Bureau and of the National Secretariat of the CPB Central Committee was elected. Louis van Geyt was re-elected the party's chairman, and Claude Renard -- the party's deputy chairman.

PZPR POLITBURO APPROVES WARSAW PACT DECISIONS

LD190934 Moscow TASS in English 0916 GMT 19 Jun 86

[Text] Warsaw June 19 TASS -- The Political Bureau of the Central Committee of the Polish United Workers' Party at its meeting here has approved the Polish delegation's activity at the Budapest meeting of the Warsaw Treaty Political Consultative Committee and expressed full support for its decisions.

It was observed that the PCC-adopted programme of large-scale reductions of the armed forces and conventional armaments in Europe along with the Soviet January 15, 1986 proposals constituted a comprehensive programme for ridding the people of Europe and the entire world of the threat of war.

Poland would do everything necessary to carry out the proposals which met the vital interests of the Polish people, said the report on the Politbureau meeting.

The Budapest meeting reaffirmed with fresh vigour the unity and cohesion of the defensive military-political alliance of the fraternal socialist countries and their striving to continue developing interaction in all spheres, the report concluded.

CPCZ APPROVES WARSAW PACT DOCUMENTS

LD192108 Moscow TASS in English 1914 GMT 19 Jun 86

[Text] Prague June 19 TASS -- The Presidium of the Communist Party of Czechoslovakia Central Committee and the Czechoslovak Government have approved of the activity of the Czechoslovak delegation at the Budapest meeting of the Political Consultative Committee and the documents adopted at it, says a report issued here today.

It says that the Warsaw Treaty states indicate in their proposals concrete ways to reach mutually acceptable agreements designed to arrest the arms race, improve the international situation and ensure equal security for all. This is evidence of their high responsibility for mankind's peaceful future.

The address, adopted in Budapest, constitutes a new imposing foreign policy initiative of the socialist community, which leads to a drastic reduction in the armed forces and conventional armaments in Europe from the Atlantic to the Urals. This iniative organically complements the Soviet proposal on the complete elimination of nuclear and other types of weapons of mass destruction by the end of the current century and indicates a real way to turning Europe into a continent of durable peace and cooperation, the report says.

GORBACHEV, KADAR SPEECHES PUBLISHED

LD192112 Moscow TASS in English 1843 GMT 19 Jun 86

[Text] Moscow June 19 TASS -- A booklet, entitled "The Visit by the General Secretary of the CPSU Central Committee, Mikhail Gorbachev, to the Hungarian People's Republic" has been put out by the "Politizdat" publishers. The publication includes speeches by Mikhail Gorbachev and Janos Kadar, the general secretary of the Hungarian Socialist Workers' Party, at a meeting between the general secretary of the CPSU Central Committee and the collective of the Csepel Machine Tool Factory, other documents and materials.

CPSU DELEGATION ATTENDS TUNISIAN PARTY CONGRESS

LD192155 Moscow TASS in English 2048 GMT 19 Jun 86

[Text] Tunis June 19 TASS -- The 12th Congress of the Socialist Destour Party has opened here today. Habib Ben ali Bourguiba, president of the republic of Tunisia and chairman of the Socialist Destour party, delivered a report at its opening session. He welcomed numerous delegates and representatives of political parties of various countries, who were invited to the congress. Among them is the CPSU delegation led by Lev Spiridonov, alternate member of the CPSU Cnetral Committee and first deputy-in-chief of the newspaper "PRAVDA".

Among the questions put to debate at the congress are the activity of the party in the five-year period, its tasks in the field of domestic and foreign policies, among them, the drafting of a regular five-year plan of the country's socio-economic development and elections of the party's guiding bodies.

Mohammed Mzali, general secretary of the Socialist Destour Party, prime minister of Tunisia, delivered a political report.

LIBYANS MARK ANNIVERSARY OF U.S. OUSTING

PM181359 Moscow IZVESTIYA in Russian 13 Jun 86 Morning Edition p 5

[APN correspondent E. Aslanyan dispatch: "Libya: No Return to the Past"]

[Text] Tripoli -- these days the Libyan people are celebrating in a special way a portentous date -- the 16th anniversary of the liquidation of American military bases on the country's territory. A memorial arch incorporating scenes from the Libyan defense actions during the barbarous U.S. air attack 2 months ago was constructed on Ibn 'Ashur Street in downtown Tripoli literally in a few days. The district suffered most from the raid by F-111's, which sneaked up at night and dropped bombs on the homes of peaceful residents from a low altitude. But the Libyans did not flinch. Washington hoped in vain to find forces capable of making the country retreat from its progressive independent course.

"Our people," Habib al-Hasnayu, deputy director of the Historical Research Center, said, "fought for more than 30 years for freedom, against Italian domination. And the Libyan people's sacrifices will never allow them to return to the old reactionary regime, to foreign military bases."

Many Libyans remember how American aircraft used to take off from Wheelus Field, a base on the outskirts of Tripoli, with deadly freight in the sixties. At that time M. al-Fituri lived not far from it, and he speaks of instances when inhabitants of nearby districts died as a result of accidents and when damage was caused to buildings and agriculture, not to mention pollution of the environment.

"I felt the greatest shock," al-Fituri said, "when I learned that active use had been made of that base at the time of Israel's aggression against the Arabs in 1967. Just imagine, this was a blow in the back for Egypt, a fraternal Arab country. I was not alone then in wondering whether our people needed the bases."

On 11 June 1970 the last American soldier left Libyan territory. This had been preceded by 6 months of talks on liquidating Wheelus Field -- the largest of all American bases outside the United States at that time. In all, there were five American bases in the country, which were later liquidated in full at the demand of the young Libyan leadership. It is not surprising that the Pentagon still cannot reconcile itself to their loss.

People in Libya are clearly aware that American imperialism and the U.S. policy of neoglobalism represent the chief danger to peace in the Mediterranean. An article published in the latest issue of the weekly AL-ZAHF AL-AKHDAR is characteristic in this respect. The weekly points out that, on the pretest of defending Mediterranean countries, the United States is pursuing there, with the help of military force, an aggressive, hegemonist policy profoundly alien to the interests of the young liberated states of the region. The Libyan weekly sums up that the real way to solve the problems that exist there is indicated in the USSR's proposal to turn that region into a zone of peace and security.

ENJOY IN KUWAIT REVIEWS INTERNATIONAL SITUATION

LD161857 Kuwait KUNA in English 1650 GMT 16 Jun 86

[By Saleh Nazzal]

[Text] Kuwait, June 16 (KUNA) -- Kuwaiti deputy premier and foreign minister Sheikh Sabah Al-Ahmad said Monday that it was high time for the international community and world governments to work closer towards preventing the proliferation of nuclear weapons.

Sheikh Sabah told reporters following a meeting with the Soviet ambassador in Kuwait, Pogos Akopov, that the superpowers have a special responsibility towards the nonproliferation of nuclear arms.

The Kuwaiti official noted that the ambassador handed him a copy of a memorandum which the Soviet leadership had sent to the U.N. secretary general Javier Peres de Cuellar proposing a ban on the production of nuclear arms and prevention of outer space militarisation. The memo also called for the setting up of an international organization for space.

Sheikh Sabah said he explained to the Soviet envoy Kuwait's stance on the dangers of nuclear arms on humanity and the international community at large.

Kuwait's chief diplomat said he told Akopov that the Soviet Chernobyl nuclear reactor incident highlighted the gravity of the situation and served as a clear evidence of what humanity would have to face if nuclear incidents got out of control.

The Soviet ambassador told reporters that Kuwait is in the forefront of peace-loving countries working for the promotion of world peace and stability. "The Soviet Union highly appraises and encourages this (Kuwaiti) stance", Akopov said.

He said his meeting with Sheikh Sabah was in the context of regular consultations and exchange of views between the Soviet and Kuwaiti leaderships on hot international issues, Arab developments toppled by the Middle East problem and the Iraq-Iran war in addition to bilateral links.

Commenting on the Soviet stance towards the Gulf war, Akopov said Moscow has been pursuing an immediate ceasefire, both through direct contacts with the two belligerents and by means of international initiatives.

He said the Soviet Union shares the concerns of Gulf states regarding the dangers of this destructive conflict and believes that its end will be a major factor helping achieve a peaceful settlement of the Middle East problem.

Speaking of superpower arms race, Akopov said a recent decision by U.S. President Ronald Reagan to abandon the strategic arms limitation treaty (SALT-2) agreement would (?escalate) the arms race.

The ambassador noted that the ''grave unilateral American move'' came just as Moscow made fresh proposals for the conclusion of a new international space agreement.

He said if superpowers fail to reach agreement on nuclear disarmament, then world tensions will heighten and reflect on regional flashpoints particularly the middle east and the Iran-Iraq war.

Akopov said the Soviet memo to De Cuellar proposed the establishment of an international space organization dedicated to keeping the space for peaceful purposes and the interests of humanity.

He said Moscow was pursuing a double-track policy of preventing the space arms race and eliminating the whole nuclear arsenals, in three phases, by the year 2000.

The envoy said the Soviet Communist Party Secretary General Mikhail Gorbachev proposed in Berlin last May cutting conventional arms in Europe both by the Warsaw Pact and NATO alliance.

Akopov said Warsaw Pact leaders endorsed Gorbachev's proposals on conventional arms reductions during their recent meeting in Budapest.

The ambassador said a main task before the international community now is preventing the danger of a nuclear arms war and this, he added, could be achieved through the nonproliferation of nuclear arms and phasing out of existing arsenals.

On the possibility of holding a Soviet-American summit, the envoy said Moscow is interested in such meeting, but ''our view is that such a conference should not be just for the sake of coming together but rather achieving positive results in fulfillment of the international community's desire for peace.''

He said no date for the summit has yet been fixed but contacts are underway to arrange a meeting.

BRIEFS

ACCORD WITH JORDAN -- A plan of cultural and scientific cooperation between the USSR and the Hashemite Kingdom of Jordan for 1986-87 was signed in Moscow on 19 June. It foresees further development of cooperation in the fields of culture, arts, science, education, national personnel training, cinematography, television, radio broadcasting, health care, and sport. [Text] [Moscow Domestic Service in Russian 1950 GMT 19 Jun 86 LD]

PARAGUAYAN COMMUNIST MAIDANA CALLS FOR SUPPORT

PY181403 Moscow in Spanish to Latin America 0000 GMT 14 Jun 86

[Interview granted by Ananias Maidana, member of the Paraguayan Communist Party national leadership, to an unidentified Radio Moscow reporter -- date and place not given]

[Text] [Reporter] Comrade Ananias Maidana, could you summarize for us the recent communique of the Paraguayan Communist Party?

[Maidana] The declaration that the Paraguayan Communist Party recently issued conveys the party's solidarity with the combative antidictatorial demonstrations that are sweeping the country. These increasing demonstrations by our people are taking place in an international atmosphere that is fraught with threats to world peace and to the territorial integrity and sovereignty of liberated nations. These threats are posed by the aggressive and adventuresome policy of U.S. imperialism.

In their new globalist approach to world domination, the imperialists have selected Paraguay to be the launching pad for their aggressions in the heart of South America. Thus, the Yankees are trying to preserve the dictatorial regime by staging a controlled and fraudulent democratic opening through which the multinationals and their local agents would retain their control of the country.

[Reporter] Comrade Ananias Maidana, we understand that the antidictatorial struggle advocates unity. What does your communique have to say on this issue?

[Maidana] The communique of the Paraguayan Communist Party emphasizes that the broadest possible antidictatorial unity is the key to popular victory. All social and political sectors are staging joint demonstrations demanding economic and democratic changes, and are standing up to the dictatorship, which is growing weaker and more isolated all the time. Recent large demonstrations in Asuncion are ovewhelming proof that our people are rising, united and fearless, against the dictatorship.

[Reporter] Comrade Ananias Maidana, I believe that the communique also mentions the national dialogue.

[Maidana] Irrespective of its motives, objectives, and advocates, the national dialogue has given rise to severe conflicts and disagreements between the pro-Stroessner militant faction and the traditionalist faction of the ruling Colorado Party. The church, which is acting as a mediator in this dialogue that has been proposed by the National Accord, is becoming more and more opposed to the dictatorship, which in turn accuses the church of encouraging subversion.

[Reporter] Finally, Comrade Ananias Maidana, what solution does the Communist Party propose for this situation?

[Maidana] The communique of the Paraguayan Communist Party states that all political and social sectors involved in the struggle against the dictatorship have points in common that could help them to join forces and attain victory. These points in common are: lifting of the state of siege, general amnesty, abrogation of repressive laws, full respect for human rights, dismantling of the dictatorship's repressive agencies, freedom for all political prisoners, solutions to cases of missing persons, salary hikes for workers, fair prices, and land for peasants. By acting jointly in the quest for the fulfillment of these democratic demands, we shall come closer to the historic objective of our people.

CENTRAL AMERICAN STATES DISCUSS DEFENSE COUNCIL REVIVAL

LD131045 Moscow TASS in English 0845 GMT 13 Jun 86

[Text] Managua June 13 TASS -- TASS correspondent Sergey Gorbunov reports:

Representatives of the Armed Forces of Honduras, El Salvador and Guatemala have started talks on a resumption of activity by the so-called Central American Defence Council. This Council disintegrated in the past as a result of a Salvadoran-Honduran border conflict and the victory of the Sandinist revolution in Nicaragua, the Nicaraguan newspaper BARRICADA said.

Humberto Regalado, chief of the General Staff of the Honduran Armed Forces, announced in Tegucigalpa that Nicaragua had been excluded from the process of the talks on ideological grounds. In the opinion of political observers, the attempts of the U.S. administration at reviving the old military alliance on an "anti-Sandinista" basis are aimed at torpedoing the Contadora Group's peace efforts.
At a recent meeting in Panama, the countries ofthe group urged the Central American nations to say no to the forming of aggressive blocs and the holding of foreign military exercises in order to create favourable conditions for a peaceful settlement in the region.

Contrary to the calls of international public for noninterference in the affairs of the Central American countries, the United States is continuing militaristic preparations in Honduras, preparing for a military intervention against Nicaragua. According to the reports reaching here, the U.S. troops have just completed their latest military exercises on Honduran territory codenamed "Terencio Sierra-86". The U.S. military have perfected the system of communications between their bases in Honduras and rehearsed a number of "operations to combat guerrillas" with the participation of the airforce and artillery units.

FURTHER REPORTAGE ON SUPREME SOVIET SESSION

18 June Business

PM191417 Moscow IZVESTIYA in Russian 19 Jun 86 Morning Edition p 1

[Unattributed "Information Report on USSR Supreme Soviet Sittings"]

[Text] The 5th session of the USSR Supreme Soviet, 11th convocation, began work in Moscow on 18 June 1986. The first joint sitting of the Soviet of the Union and the Soviet of Nationalities was held in the Great Kremlin Palace at 1000. It was chaired by L. N. Tolkunov, chairman of the Soviet of the Union.

The USSR Supreme Soviet, on the recommendation of the chambers' Councils of Elders, approved the session's agenda and order of work. The following questions were placed on the session's agenda:

1. Changes in the composition of the USSR Supreme Soviet Presidium.

2. The State Plan for the Economic and Social Development of the USSR for 1986-1990.

3. Confirmation of USSR Supreme Soviet Presidium decrees.

Comrade Ye. K. Ligachev, member of the Politburo and secretary of the CPSU Central Committee, spoke on the first question on the session agenda. On behalf of the CPSU Central Committee and the USSR Supreme Soviet Presidium he submitted a proposal to grant Comrade V.V. Kuznetsov's request that he be released from his duties as first deputy chairman of the USSR Supreme Soviet Presidium on his retirement on health grounds and to elect Comrade P.N. Demichev as first deputy chairman of the USSR Supreme Soviet Presidium and release him from his duties as USSR minister of culture.

Comrade Ye. K. Ligachev submitted proposals to release Deputies I. Y. Polyakov, K. A. Khalipov, and B. Y. Sarkisov from their duties as deputy chairmen of the USSR Supreme Soviet Presidium on their retirement, to release Deputy B. Y. Sarkisov from his duties as deputy chairman of the USSR Supreme Soviet Presidium on his transfer to other work, and to release Deputies L. N. Zaykov and V. V. Grishin from their duties as members of the USSR Supreme Presidium.

Proposals were submitted to elect Deputies G. S. Tarazevich, S. B. Tatliyev, A. A. Mokanu, G. M. Voskanyan as deputy chairmen of the USSR Supreme Soviet Presidium and to elect Deputies B. N. Yeltsin and Yu. F. Solovyev as members of the USSR Supreme Soviet Presidium. The USSR Supreme Soviet unanimously adopted corresponding resolutions on this question.

The USSR Supreme Soviet then heard a report by Deputy N. I. Ryzhkov, chairman of the USSR Council of Ministers, on the State Plan for the Economic and Social Development of the USSR for 1986-1990.

Leaders at 19 June Session

LD191134 Moscow Television in Russian 1030 GMT 19 Jun 86

[From the "Novosti" newscast]

[Text] Today is the 2d day of work of the fifth session of the USSR Supreme Soviet of the 11th convocation. During separate sessions of the chambers the deputies completed the examination of the question on the state plan for the country's economic and social development for the 1986-90 period. Fifty people spoke during the debates.

A joint session of the Soviet of the Union and the Soviet of Nationalities began at 1400. Deputies and guests welcomed with prolonged applause Comrades Gorbachev, Aliyev, Vorotnikov, Gromyko, Zaykov, Kunayev, Ligachev, Ryzhkov, Solomentsev, Chebrikov, Shevardnadze, Shcherbitskiy, Demichev, Dolgikh, Slyunkov, Sokolov, Solovev, Talyzin, Biryukova, Dobrynin, Zimyanin, Medvedev, Nikonov, Razumovskiy, Yakovlev and Kapitonov.

Deputy Voss, chairman of the Soviet of Nationalities, chaired the joint session. In separate voting in the chambers, the deputies unanimously passed the law on the State Plan for the Economic and Social Development of the country for the 12th 5-year plan. The session then dealt with the next question on the agenda. Deputy Menteshashvili, secretary of the Presidium, delivered a report on the ratification of the decrees of the USSR Supreme Soviet Presidium.

The Deputies unanimously passed the relevant laws and decisions. The USSR Supreme Soviet Session thereupon completed its work.

Session Ends

LD192101 Moscow Television Service in Russian 1430 19 Jun 86

[Text] The 5th session of the USSR Supreme Soviet of the 11th convocation ended its work in Moscow today. During the morning, at separate sittings, the deputies continued their discussion of the draft State Plan for the Economic and Social Development of the USSR for 1986-90.

The second sitting of the Soviet of the Union took place in the Hall of Meetings of the chambers of the USSR Supreme Soviet. The participants in the debate were: Deputy Polyanskiy, first secretary of the Board of the USSR Union of Architects; Deputy Kalin, chairman of the Council of Ministers of the Moldavian SSR; Deputy Mirbabayeva, leader of a cotton-growing team at the Pravda state farm in Syrdarya oblast of the Uzbek SSR; Deputy Belousov, USSR minister of the shipbuilding industry; Deputy Ulanov, first secretary of Kaluga party obkom; Deputy Dzhumagulov, chairman of the Council of Ministers of the Kirghiz SSR; Deputy Yazkuliyev, chairman of the Presidium of the Turkmen SSR Supreme Soviet; Deputy Kolesnikov, director of the Norilsk Zavenyagin mining and metallurgical combine; Deputy Koop, rector of Tartu University; and Deputy Ponomarev, first secretary of Belgorod party obkom.

The Soviet of the Union finished its discussion of the draft 5-year plan.

[Video show general view of the hall, two distant shots of central section of platform, and one medium close-up of some of the Soviet leaders occupying seats on the platform: Gorbachev, Gromyko, Ryzhkov, Ligachev, Solomentsev, Zaykov, Vorotnikov, Kunayev, Kapitonov, Shcherbitskiy, Talyzin, Razumovskiy and Dobrynin. In addition the clip shows close-ups of deputies in the auditorium and close-ups in turn of all the named speakers in the debate]

RYZHKOV REPORT ON 12TH 5-YEAR PLAN

PM190720 Moscow PRAVDA in Russian 19 Jun 86 First Edition pp 1-5

[Report by Deputy N.I. Ryzhkov, chairman of the USSR Council of Ministers: "On the State Plan for the Economic and Social Development of the USSR for the Years 1986-1990" delivered 18 June at joint sitting of the USSR Supreme Soviet of the Union and Soviet of Nationalities; capitalized passages printed in boldface]

[Text] Comrade deputies!

The USSR Council of Ministers submits for the USSR Supreme Soviet session's examination the draft of the 12th 5-Year Plan. It was drawn up in full accordance with the decisions of the 27th CPSU Congress. It embodies the directives of the CPSU Central Committee Political Report to the congress and the Basic Guidelines for the Economic and Social Development of the USSR for 1986-1990 and for the Period Through the Year 2000.

The profoundly substantiated and truly revolutionary tasks put forward by the congress and the atmosphere of creativeness and creativity which it engendered are exerting a fruitful and ever-increasing influence on the country's sociopolitical and economic life. They wholly accord with the interests of the people and have received their unanimous approval and support. The main thing toward which the party is directing us today is to focus efforts on the full and unconditional fulfillment of the congress' decisions, and to transform the energy of intentions onto the energy of action.

At the CPSU Central Committee plenum, which took place on the eve of the session, in the report of M.S. Gorbachev, general secretary of the CPSU Central Committee, an extensive and detailed analysis of the profound restructuring taking place in the party and state was provided, and an objective picture was painted of the post-congress development of Soviet society and of the foreign policy situation in the world. The task of the practical implementation of the general course of the 27th congress toward the acceleration of socioeconomic development and toward bringing the country's entire potential into play was placed at the focus of the work of the Communists and all the working people. From the standpoint of practical implementation of this course, the plenum comprehensively examined the draft 5-year plan and approved it.

Proceeding from the special place of the 5-year plan in the implementation of the party's program tasks, new and important directives have been put forward which are of paramount significance for the realization of its economic strategy. The plenum went more deeply into the quest for ways to achieve high efficiency, and stressed the tremendous role of the plan in mobilizing the creative strength and initiative of the masses. It is precisely on the basis of plans that in our socialist society, the energy of millions flows together into a single stream aimed at achieving the most immediate and also long-term tasks. It is precisely the plans that give a clear and stable perspective of the development of each labor collective, each sector, and each republic.

During the preparation of the draft plan, much work was done at enterprises and associations, in ministries and departments, and also in union republics to bring to light additional potential for the acceleration of production growth rates, for enhancing efficiency, and for satisfying social needs. Then proposals and comments of delegates to the 27th party congress and the materials of the pre-congress discussion of the drafts of the new edition of the CPSU Program and of the Basic Guidelines were carefully studied. A detailed, exacting, and interested discussion of the plan took place in the standing commissions of the Supreme Soviet. All this made it possible to enrich it with the collective wisdom and experience of the party and people, and it became a vivid manifestation of the growing democratism of the Soviet system of planned mangement.

The deputies have the materials which reveal the content of the 5-year plan. Permit me to dwell on some key issues of the plan.

I. The 12th 5-Year Plan -- the 5-Year Plan of a Fundamental Turning Point in the Country's Socioeconomic Development

Comrade deputies!

In the implementation of the strategy for the acceleration of the country's socioeconomic development which was drawn up by the CPSU Central Committee April (1985) Plenum and enriched and approved by the 27th party congress, a special role belongs to the 12th 5-Year Plan. It is required to overcome the negative tendencies which took shape in the development of the national economy in the seventies and early eighties, to guarantee a real turning point in all sectors of the economy and spheres of activity, and a decisive switch to the path of intensive growth, and at the same time to lay a firm foundation for continued movement forward.

The practical implementation of this course requires a radical reconstruction of the national economy as understood in the broadest meaning of this word. It presupposes qualitative transformations of physical production on the basis of the achievements of scientific and technical progress, the cardinal reorganization of structural and investment policy, the radical reform of the entire economic mechanism, the activation of the human factor, and the intensification of the social thrust of our plans.

The need to solve such large-scale and crucial tasks has required new approaches to the drafting of the 5-year plan and the shifting of the center of gravity toward determining specific ways of achieveing high social production efficiency. Never in the past have questions of the intensification of the economy and the mobilization of its deep-lying reserves played such a decisive part in the shaping of a plan. Any other, customary approach would have meant a return to the old rut of economic life, and would not have made it possible to lead the economy toward the frontiers defined by the 27th CPSU Congress.

Permit me to report, comrade deputies, that for almost all the indicators of the draft plan, it is planned to achieve the upper level of the Basic Guidelines' targets, while for industry and certain of the most important social indicators these targets will be exceeded somewhat.

Increase over the 5-year period (percent)

	1981 through 1985	1986 through 1990	
		according to Basic Guidelines	according to 5-year plan
National income used for consumption and accumulation	16.5	19-22	22.1
Industrial output	20	21-24	25
production of the means of production (group A)	19.6	20-23	24
production of consumer items (group B)	20.8	22-25	27
Agricultural output (average annual production)	5.5	14-16	14.4
Capital investment in the national economy (in terms of total for the 5 years)	15.4	18-22	23.6
Real per capita incomes	11	13-15	14

The targets envisaged in the plan fully ensure the implemention of THE CHIEF TASK OF THE 5-YEAR PLAN, the essence of which is to enhance the pace and efficiency of the economy's development, and to achieve on this basis a further upsurge in the Soviet people's well-being. The scale of physical production envisaged in the 5-year plan makes it possible to maintain the country's defensive might at the necessary level.

The concept of acceleration, which has been placed at the foundation of the plan targets is manifested not just in rates but also in the substantial increase in the absolute increments of the most important economic indicators. National income, which characterizes the end results and effectiveness of economic activity, is planned to increase in the 12th 5-Year Plan period by R124 billion, as against R79 billion in the last (in 1983 prices). The increase in industrial output is planned to be R200 billion, compared with R133 billion in the 11th 5-Year Plan, and the average annual volume of agricultural output will be R29 billion as against R10 billion.

In drawing up the draft plan, not only were the tasks of the 12th 5-Year Plan taken into account, but also the need to implement the party's long-term economic policy. In this connection, a course was set toward the acceleration of the growth of capital investments. The adverse tendency toward the reduction of the rates and absolute increments of capital investments, which occurred in the last decade, will thereby be overcome. In the new 5-year plan, they will increase 23.6 percent, in comparison with 15.4 percent in 1981-1985, and their absolute increment will reach R190 billion, as against R107 billion in the 11th 5-Year Plan. As a result, the share of the consumption fund in the national income will rise from 25.9 percent in 1985 to 27.6 percent in 1990.

The economic substantiation of the rhythm of the 5-year plan, and the determining of the annual stages of the national economy's growth constitute a fundamental question of the shaping of the 5-year plan and of the intensification of its feasibility and reliability. We have learned lessons from the errors of the past, when the buildup of the pace was shifted to the last years of the 5-year period, and its fulfillment was thereby placed in great jeopardy. This shortcoming has been overcome in the new 5-year plan. It envisages the smooth increase in the rate of growth of all the main indicators.

		Annual increase as a percentage				
	1981-1985 in terms of annual average	1986	1987	1988	1989	1990
National income used for consumption and accumulation	3.1	3.8	4.0	4.1	4.2	4.3
Industrial output	3.7	4.3	4.4	4.5	4.7	4.9
group A	3.6	4.3	4.3	4.4	4.5	4.7
group B	3.9	4.4	4.5	4.7	5.3	5.5

Equally important is the fact that this optimum way of structuring the plan allows a total of R30 billion more in national income to be obtained in the 5 years than if it was structured on the old principles.

Comrades! The achievement of high targets in developing the national economy in the 12th 5-Year Plan is based on new sources of economic growth. The mainstays, the decisive sources under the present conditions, are scientific-technical progress, modernization, quality, and efficiency. They are the foundation on which the 5-year plan is based.

First and foremost, measures have been carefully worked out to ensure A RADICAL ACCELERATION OF SCIENTIFIC-TECHNICAL PROGRESS. The essential point was to make scientific-technical progress permeate the entire plan and become an organic part of it.

It is important to stress here that targets have been set for each sector characterizing the end results of using new equipment and technology. This obliges ministries and departments, associations and enterprises to show great independence in choosing and implementing specific ways of resolving the tasks put before them.

At the same time, while attaching particular importance to the extensive use of the latest technological processes, the plan provides specific targets for rapid expansion of the output of equipment capable of revolutionizing production.

In accordance with the Basic Guidelines, it is planned to increase the use of progressive base technologies by 1.5-2 times, to expand the use of new, economical types of materials significantly, and to double the level of production automation.

The total savings from the use of the achievements of science and technology are highly significant. In industry, this factor will account for two-thirds of the increase in labor productivity. Implementation of the complex of scientific-technical measures in the sphere of resource-saving alone will produce a reduction of R28.6 billion in the prime cost of industrial output during the 5-year period, against R16.3 billion in the 11th 5-Year Plan.

Such high levels of saving cannot be obtained without a decisive intensification of science and all its elements -- on the academic, sector, and plant levels. The tremendous potential of VUZ science needs to be used more vigorously. Expenditure on science (excluding capital outlay) is to be increased to R33 billion in 1990 compared with R24.8 billion in 1985. Its rate of increase will exceed the rate of increase in national income by 1.5 times. Great resources are being allocated to strengthening the material-technical base of science.

It is planned to increase capital investments directed to these ends by 70 percent. More extensive potential is thus being created for shaping the scientific and planning-design capital required for a qualitative transformation of production forces, and invigoration of scientists' work, and an increase in its productiveness.

In order to eliminate major shortcomings in the integrating of science and production, large-scale measures are planned to accelerate the process. The creation of new science-and-production associations is planned. The progressive form which consists in intersector scientific-technical complexes, designed to secure the achievement of world-beating standards on the main avenues of science and technology, is being extended. It should be noted, however, that the process of strengthening the interaction between science and production is failing to accord with contemporary demands and is frequently restricted to half-measures.

Ministries are proving slow to implement the instructions of the June (1985) conference at the CPSU Central Committee on questions of scientific-technical progress relating to the restructuring of sector science. The activity of many scientific research and planning-design institutions continues to be inefficient, lacking in creativity, and without appreciable effect on the technical standard of production. Dissipation of resources on projects without either scientific or practical value and remote from contemporary demands is being tolerated. Things are not going well even in a sector like machine-tool building, which is a determining one for scientific progress. For example, during its 9 years of existence, the USSR Ministry of the Machine Tool and Tool-Building Industry's State Planning and Scientific Research Institute for the General Machine-Building Sector Products Industry, where 600 people work, has produced inventions from only two out of all its projects.

A similar situation exists in other ministries, too. The activity of the USSR Ministry of Chemical and Petroleum Machine Building's All-Union Scientific Research and Planning-Design Institute for Complete Technological Processes has been practically fruitless. Only 1 or 2 of the 130 topics worked on each year can be classified as scientific research projects. The remainder bear no relation to science. The institute has essentially become a managerial adjunct to the ministry. It is no accident that the 71 ordinary personnel there are matched by 176 leaders of different ranks. The USSR Council of Ministers has decided to abolish these institutes. In fact, that decision should have been taken by the ministries themselves. It must be said that they plainly never concerned themselves with these institutes, and yet when it came to closing them down, they leapt earnestly to their defense. This observation applies particularly to Minister B.V. Balmont. Many ministries are shifting central apparatus functions to their institutes. It was precisely leaders like this that V.I. Lenin had in mind when he said: "We must learn to value science and to reject the 'communist' pretension of dilettantes and bureaucrats" (Footnote: V.I. Lenin. Complete Collected Works Vol. 42 p 344).

The most acute national economic problem is the radical improvement of the state of affairs with regard to the technical standard and quality of production. In contemporary conditions, it ranks with the task of accelerating scientific-technical progress.

Improving the technical standards of machinery and equipment, and increasing their productivity, durability, and reliability will constitute one of the important sources for meeting the national economy's requirements more fully. The real potential that is concealed here is evidenced by the following facts: An increase in the reliability of metal-cutting machine tools is equivalent to a reduction in the requirement for them of 16 percent; for forge and press machinery it is equivalent to 26 percent; and for trucks the figure is 8 percent. This is, in reality, the solution to the question of quantity through quality.

You know that at the last plenum of our party's Central Committee, M.S. Gorbachev stressed with particular concern once again the statewide significance of the problem of quality. Attention was drawn to the need to take decisive steps to fulfill the CPSU Central Committee and USSR Council of Ministers resolutions on restructing all work in this direction. The task facing us is to resolve this problem comprehensively, using both technological and organizational forms and methods. And, of course, an important role here will belong to the improvement of standardization in the country and the improvement of the entire system of technical monitoring, above all in its new form of State Acceptance [priyemka]. But these measures by themselves are clearly not enough in the struggle for quality. What is required is a psychological restructuring, the creation in labor collectives of the kind of moral climate that makes high-productivity, good-quality work the norm and then elevates it. Right from the start of the 5-year plan, we must be resolute in declaring war on low quality, which is extravagance of the worst kind.

The draft plan fully reflects the principled line of the 27th CPSU Congress toward large-scale modernization of sectors of the national economy. It is reliably underpinned by the entire structural and investment policy. The proportion of expenditure on technical reequipment and modernization of existing production within the total of capital investment in production construction will increase from 38.5 percent in 1985 to 50.5 percent in 1990. This substantial change in investment policy has enabled the 12th 5-Year Plan to provide for radical shifts in the qualitative renewal of fixed production capital, and helped to overcome the extremely negative trend which took shape in the seventies for fixed capital to become increasingly worn-out and obsolete.

The rate of withdrawal is to increase form 1.8 percent in 1985 to 3.1 percent in 1990 for fixed production capital, and from 3.2 to 6.2 percent for the active part of it. The absolute total of capital withdrawal in the 5-Year plan will come to R240 billion, against R110 billion in the past 5 years. Thus, in the 12th 5-Year Plan, a new line is intended, and will be consistently implemented, aimed at steadily reducing the age of fixed production capital.

And finally, comrades, the most important material guarantee of accelerated scientific-technical progress and large-scale modernization of all sectors of the national economy is machine building. I have to remind you once again that attention to its development has been relaxed during recent 5-year plans. As a result, the sector has proved unprepared for resolving the new tasks that times dictate. What is more, as the CPSU Central Committee plenum has observed, the sector has found itself on the margins in terms of scientific-technical progress. A sharp turn had to be made in the plan in favor of machine building, so as to ensure its rapid growth and thorough technical and structural reorganization. Capital investment in the sector is to be increased 1.8 times. The task will be set of simultaneously reconstruction machine building itself, and using it as the base for technically reequipping all spheres of the economy.

The measures for accelerating scientific-technical progress and the changes in investment and structural policy provided for by the plan have allowed technical-economic estimates to be produced to substantiate targets that will ensure a radical breakthrough in the task of INTENSIFYING SOCIAL PRODUCTION AND INCREASING ITS EFFICENCY. The main peculiarity of the 12th 5-year Plan and the factor distinguishing it from past periods is the fact that this process is to embrace all the factors of production and national economic resources: labor, fuel and raw materials, capital investments, and fixed capital.

	Percentage Increase During 5-Year Period		
	1981-1985	1986-1990	
		According to Basic Guidelines	According to Draft 5-Year Plan
Labor Productivity in the National Economy	16.5	20-23	23
Energy-intensiveness of the National Income	-5.4	-(7-9)	-8.5
Metals-intensiveness of the National Income	-10	-(13-15)	-14
Efficiency of Capital Investments	-12	15	16

II. Physical Production to the Level of Modern Tasks

Comrades!

When drawing up the plan for the development of physical production, comprehensive consideration was given to the profound changes taking place in the Soviet economy and in the integration of its individual sectors and components. It is increasingly assuming a new complexion of closely interacting large-scale national economic complexes. This approach has made it possible to concentrate attention on the basic national economic proportions, to define more clearly the relationship between extracting and processing sectors, to cover intersector problems of scientific and technical progress more widely in the plan, and to strengthen the orientation of plan targets toward all sectors' achieving the chief aim of satisfying social needs with the least expenditure.

Qualitative Transformations in the Industrial Base of the Economy

The acceleration of the country's socioeconomic development is underpinned by qualitative transformations in the industrial base of the national economy. In the course of drafting the plan, the USSR Council of Ministers was guided by the principled thesis that these transformations require the strengthening of heavy industry, which was, is, and will be the basis of our economic might. There will be a 50-percent rise in the growth of its output. Here, too, the policy of intensification has predetermined a change of priorities and, above all, the shifting of efforts from increasing extraction and production of fuel and raw materials to saving them in every possible way and developing the processing sectors, particularly machine building, at an accelerated pace. Targets have been set for complexes of heavy industry sectors in the 12th 5-Year Plan in accordance with this.

	Growth Rate		Proportion (as percentage)	
	1985 as Percentage of 1980	1990 as Percentage of 1985	1985	1990
Heavy industry as a whole	123	128	100	100
Broken down by complexes:				
machine building	135	143	43	48
fuel and energy	111	114	18	16
construction materials and the chemical industry	117	119	39	36

First and foremost, the plan sharply increases the role of labor productivity as the main factor in the national economy's growth. For the first time in the history of 5-year plans, it is intended to secure the increase of material production on a country-wide scale practically without recruiting additional manpower, and to direct the whole increase in the work force into the nonproduction sphere.

Further: A fundamentally new and important element in plan practice is the covering of the greater part of the national economy's additional fuel and raw materials requirements by means of resource-saving. The plan fully sustains the congress provision that the energy- and metals-intensiveness of the national income must be reduced. Some 65-70 percent, and, for certain types, all of the additional requirement for fuel and raw materials will be met through savings. It is planned to bring substantial amounts of secondary resources into economic turnover. In 1990 alone, their utilization will release primary raw materials, supplies, and fuel worth a total of R40 billion.

Finally, the 5-year plan outlines a complex of measures for more rational utilization of the vast production potential and the increasing amounts of capital spending. For the first time in a number of 5-year periods, a sharp increase in capital investments efficiency is envisaged. The rate of decline in the return on capital in the national economy is to be more than halved, while in machine building and light industry, this long-standing negative trend will be completely overcome.

Accelerating the pace of economic growth and increasing the efficiency of social production enable us to boost production potential, and at the same time resolve an increasingly wide range of social problems, while broadening the material opportunities for implementing the party line of STEPPING UP THE SOCIAL TREND IN THE DEVELOPMENT OF THE ECONOMY.

This is expressed primarily in a substantial increase in capital investments in sectors directly involved in increasing the people's prosperity. Almost R500 billion, or one-half of all capital investments in the national economy, are being directed into the strengthening of the material-technical base of the agro-industrial complex, the production of consumer goods and paid services, and sociocultural and housing and municipal construction. It has proved possible here to decisively overcome the so-called "leftovers" ["ostatochnyy"] approach to the planning of the social sphere.

Spending is being significantly increased on improving working conditions and reducing manual and heavy physical jobs. In full accordance with the Basic Guidelines targets, the number of working people engaged in manual labor will be reduced by more than 5 million. This is a tremendous saving in society's most valuable resource, and a major factor in increasing social activeness. The role played by social demands and criteria when designing new equipment, modernizing production, and locating enterprises and in the matter of environmental conservation will increase substantially.

A characteristic feature of the plan is the wide coverage of practically all strata of the population by measures to increase incomes and resolve social problems. In the 12th 5-Year Plan, 90 million workers and employees are scheduled for wage increases, compared with 20 million in 1981-1985. It is planned to implement a number of measures to improve the lives of war and labor verterans, and to step up the assistance given to families with children. Their realization will affect the material position of over 55 million pensioners and mothers.

These, Comrades, are the starting positions, the overall design of the 5-year plan. This is a key plan in the realization of the party's long-term strategy. It intensifies the dynamism of our economy, accelerates the country's socioeconomic development, and raises the country to higher standards.

THE MACHINE-BUILDING COMPLEX, which is the material base for the acceleration of scientific and technical progress and the technical modernization of the national economy, accounts for two-thirds of the increase in heavy industry output.

Proceeding from the economy's urgent requirements for new equipment and the need for the intensive renewal of the active part of fixed capital, the plan provides for an increase of 43 percent in machine building -- which is 70 percent higher than for industry as a whole.

These are the quantitative parameters of the development of the machine-building complex. But the plan devotes chief attention to the qualitative aspect of growth. The present state of affairs here gives rise to valid concern. It does not suit us today, and still less will it do so tomorrow. Without a fundamental improvement in the structure of machine-building production and an increase in the technical standard of its output, it will be impossible to solve any of the program tasks facing the country. We can no longer tolerate the situation where only 29 percent of series-produced machine-building output conforms to world standards. And in certain machine-building sectors, this percentage is even lower -- 14 percent in the Ministry of the Machine Tool and Tool Building Industry and 17 percent in the Ministry of Instrument Making, Automation Equipment, and Control Systems. And yet these ministries are at the spearhead of technical progress.

The task has been set of ensuring that 80-95 percent of the main kinds of output conform to world standards in 1990. We are faced, in the final analysis, with not only reaching them everywhere but surpassing them with regard to many kinds of equipment. The resolution of this task must be the law for machine-building enterprises and design organizations, whose collectives, as progressive experience shows, are capable of revolutionary advances in this sphere. The acceleration of the rate of annual renewal of machine-building output is a very important factor here. In 1990, this indicator will stand at 13 percent, against 3.1 percent in 1985.

A significant rise in the efficiency of machine building is associated with intensive growth in the production of progressive equipment. I mean robots and processing centers, rotary conveyor lines and flexible automated systems, and microprocessor means, whose production will increase 100-900 percent.

Production of new progressive equipment

	1985	1990	Growth over 5-years
Processing centers, thousands	2.5	10.7	4.3
Flexible atomated systems, sets	183	546	3
Flexible modules, thousands	3.4	9.4	2.8
Industrial robots, thousands	13.2	28.6	2.2
Machine tools with digital program control, thousands	17.7	34.2	1.9
Microprocessor means of regulation for systems to control manufacturing processes, thousands	0.2	2	10
Program control devices for all kinds of technological equipment, thousands	20.4	51.8	2.5

The use of electronics is one of the determining directions enabling our economy, and machine building above all, to attain leading positions of scientific and technical progress in the world. The plan provides for a 140 percent increase in production of computer equipment. This will make it possible to increase the proportion of machinery and equipment fitted with electronic means of control, including microprocessors, in the total production of machine-building output from 5 percent in 1985 to 27-32 percent in 1990, and to 70 percent with regard to some of the most important types of them.

Raising the technical standard of machine building will largely depend on how quickly and widely the ministries are able to solve the tasks of substantially increasing production of specialized technological equipment for their own needs. During the 5-year plan, it is planned to manufacture such equipment to the tune of R12 billion, against R2.1 billion in the 11th 5-Year Plan. For this, it is proposed to implement a package of organizational and technical measures making it possible to create the necessary capacities for producing this equipment.

The resolution of the problems facing machine building demands cardinal measures to strengthen and modernize its material and technical base. The scale of this work is huge. Capital investments in this complex have been determined to full accordance with the well-known CPSU Central Committee and USSR Council of Ministers resolution. They will total R63 billion.

Of the total volume of capital investments in machine building, more than R30 billion is being channeled into retooling and modernization of existing enterprises. This is twice as much as in the last 5-year plan. It is planned resolutely to rid ourselves of obsolete equipment. Replacement of the active part of the sector's fixed capital will increase from 2.2 percent in 1985 to 9.7 percent in 1990. As a result, it will be renewed by almost 60 percent. Soviet machine building has never before known such a scale of qualitative reequipment.

At the same time that we invest billions of rubles in renewing the pool, we must ensure the maximum utilization of equipment. Special attention must be devoted to this, for the work shift coefficient of equipment has been falling continuously for many years. The majority of machine-building enterprises work one shift. This is inadmissible extravagance in the use of national wealth. And against this background, ministries are persistently seeking additional appropriations to create more and more new work places. The CPSU Central Committee plenum condemned this flawed practice, and set the task of switching everywhere in machine building to at least two-shift working in accordance with the Leningrad workers' initiative approved by the CPSU Central Committee.

The Council of Ministers has entrusted the USSR Gosplan and the USSR State Committee for Labor and Social Problems with preparing in the very near future specific proposals on measures for the material and moral encouragement of labor collectives, in machine-building sectors above all, with a view to carrying out the large-scale transfer of enterprises and associations to two- and three-shift working.

All conditions and opportunities are being created for the machine-building complex to unconditionally fulfill the strenuous 5-year plan targets. It already possesses tremendous production and scientific potential capable of solving the most complex problems. Some 700,000 scientific workers, designers, and technologists work here, and, provided correct use is made of them and everyone gives fully of himself, the tasks facing the machine-building sectors can and must be resolved. It is planned to equip scientists and specialists with modern equipment, and to create an experimental production base. It is proposed to increase the level of automation of planning work to 25-40 percent. The proportion of capital investments for developing the experimental base will be increased to 8-12 percent of the total volume for machine building.

In short, comrades, there is every reason to say that the plan for the 12th 5-Year Plan takes a big step in implementing the task set by the 27th CPSU Congress of fundamentally transforming Soviet machine building and bringing it up to the forefront of scientific and technical positions in the world. This is a matter of paramount statewide importance and an indispensable condition for the practical implementation of the party's strategy of acceleration.

The draft plan envisages the provision of stable energy supplies for the country and the consistent fulfillment of the Energy Program on the basis of the further development and qualitative improvement of the structure of THE FUEL AND ENERGY COMPLEX.

	Production and Extraction		Increase	
	1985	1990	During the 11th 5-Year Plan	During the 12th 5-Year Plan
Electricity, billions of kilowatt-hours	1,545	1,860	251	315
of which:				
at AES's	167	390	94	223
at GES's	214	245	30	31
at thermal power stations	1,164	1,225	127	61
Oil (including gas condensate), millions of metric tons	595	635	minus 8	40
Natural gas, billions of cubic meters	643	850	208	207
Coal, millions of metric tons	726	795	10	69

Under the conditions of the increasingly limited nature of nonrenewable fuel resources and the increasing complexity and cost of extracting them, the satisfaction of electricity requirements is based increasingly on the accelerated growth of nuclear power. The correctness of this path is confirmed by both world and Soviet practice. At the same time tremendous significance here, as in no other sector, is attached to determining a technical policy ensuring the high operational reliability of AES's. The accident at the Chernobyl AES showed the exceptional importance of unswerving compliance with this demand.

The construction of thermal and hydropower stations will continue during the 12th 5-Year Plan. The main task of the USSR Ministry of Power and Electrification is to ensure the installation to a high technical standard and commissioning of new capacities within the prescribed deadlines.

The rapid updating of fixed capital is a most important factor for increasing the sector's efficiency. The plan envisages the modernization of power generating units with a total capacity of around 25 million kilowatts and the decommissioning of absolete uneconomical equipment with a capacity of 15 million kilowatts. This is the first time that updating of the power industry has taken place on such a scale. During the 5-year plan this alone will account for a saving of 20 million metric tons of ideal fuel, including a 6.5 million metric ton savings in 1990.

At the beginning of the 5-year plan, as is known, a difficult situation was created in the oil industry and serious interruptions in its work were allowed. The sector was given a great deal of assistance, which has made it possible to stabilize oil extraction recently. Taking account of the intensive oil extraction targets for the 12th 5-Year Plan, it has been deemed necessary to increase capital investments in the development of the sector by 10 percent in comparison with the Basic Guidelines.

Particular significance for stable work by oilmen is attached to the widespread utilization of the achievements of scientific and technical progress. Increasing the oil recovery rate is among the effective avenues here. The plan envisages a tripling of oil extraction by this method. This will demand active work from the ministry. I wish to give a reminder that in the last 5-year plan, too, high targets were set here. More than half a billion rubles were allocated for their fulfillment, and 3 specialized science-and-production associations with a numerical strength of around 20,000 people were formed. Nevertheless the target for introducing new methods for increasing the oil recovery rate was not met. Yet this is precisely one of the main ways to intensify the sector's work.

Great significance, especially for the future of our economy, is attached to the rapid opening up of new fields, particularly the Karachaganak and Astrakhan fields, and also to the development of work to prepare deposits on the continental shelf.

The tasks set for the oil refining industry are increasing considerably. We are lagging behind seriously in the important area of the comprehensiveness of oil refining. The main task is to fulfill the target for increasing the comprehensiveness of refining by a minimum of 65 percent by 1990. This will make it possible to ensure fuller satisfaction of the national economy's requirements for motor and other types of fuel. Special decisions were adopted on this at one time, but there have been no changes for the better. The USSR Ministry of Petroleum Refining and Petrochemical Industry and construction ministries must effect a fundamental improvement here.

As before, high gas extraction growth is planned for the 12th 5-Year Plan. West Siberia, mainly northern regions of it, will account for nine-tenths of this growth. Hence stems the demand to the Ministry of the Gas Industry and the Ministry of Construction of Petroleum and Gas Industry Enterprises to build seven high-capacity main gas pipelines on schedule. It is planned to accelerate the commissioning of a number of gas pipelines from Yamburg to the center and the west of the country. The sector's task is to maintain a precise work rhythm throughout the 5-year plan. At the same time the Ministry of the Gas Industry must persistently solve the problems linked with the long-term development of the sector and launch a large volume of preparatory work to open up a new extraction area on the Yamburg peninsula in the 13th 5-Year Plan.

The significance of coal in the fuel and energy balance is increasing substantially. For the first time in recent 5-year plan periods, provision is being made for an increase in the growth of coal extraction -- to 69 million metric tons. The most effective open-cut method accounts for almost the whole of this growth. The USSR Ministry of Power and Electrification together with the USSR Ministry of the Coal Industry should speedily eliminate the imbalance which has emerged in the development of the Kansk-Achink and Ekibastuz coal basins and build up the capacities of the power stations in these regions.

The plan envisages the channeling of more than R180 billion in capital investments into the development of the fuel and energy complex. This is a 35 percent increase in such investments.

The CONSTRUCTION MATERIALS AND CHEMICAL INDUSTRY COMPLEX has a special role in solving the problem of the provision of stable material and technical supplies to the national economy. The plan envisages relatively modest growth in the production of construction materials -- 6.6 percent. At the same time the growth in the volume of production in the sectors that are the main consumers of these materials -- industry and construction -- will be three-four times greater. Given this correlation, the need is being met by the preferential production of progressive materials with good consumer qualities. Production of these will increase 39 percent.

	Production		Growth	
	1985	1990	During 11th 5-Year Plan	During 12th 5-Year Plan
Rolled ferrous metals (finished), million metric tons	108.3	119	5.4	10.7
of which heat-tempered rolled metal	9	15.6	2.3	6.6
Progressive plastic construction materials, thousand metric tons	6.8	40	2.5	33.2
Chemical fibers, thousand metric tons	1,394	1,850	218	456
Radial tires, million	19	30.2	7.6	10.4
Wood-fiber sheet, million standard square meters	566	691	89	125
Ferroconcrete pressure pipes, thousand cubic meters	665	985	63	320

The need for restructuring confronts ferrous metallurgy most acutely. The plan envisages the preferential growth of economical types of metal products and an expansion of their range. Thus, while rolled metal production will increase 10 percent, production of such output from low-alloy steel will increase by 39 percent and production from heat-treated hardened steel will increase by 73 percent. It should be noted in particular that the entire increase in output in this sector will be achieved without increasing iron ore extraction or coke and pig iron production.

A large-scale program for the retooling and reconstruction of ferrous metallurgy and all its conversion processes is planned in order to achieve these improvements. Fourteen obsolete and worn-out blast furnaces will be taken out of service, 70 rolling mills will be reconstructed, and 38 will cease operations. Continuous casting of steel will increase by a factor of 2.3. For such large targets to be achieved the sector headquarters will have to concentrate efforts and resources, break with existing stereotyped work practices, and mobilize all labor collectives to carry out this most important work. The fulfillment of the projected intensive program is not simple but it is extremely necessary. Only then will we have a metallurgical industry that has been significantly transformed by the end of the 5-year plan.

The acceleration of scientific and technical progress in the national economy makes increasingly high demands of nonferrous metallurgy, too. The situation concerning the raw materials base here has deteriorated in recent years. The 5-year plan targets contain a package of measures to strengthen that base. Some 60 percent of all the sector's capital investments are channeled into achieving those goals. Progressive ways of solving the raw materials problem, such as increasing the recovery of metals from ores, making comprehensive use of raw materials, and ensuring the fuller processing of secondary metals, assume particular importance.

In addition to strengthening the raw materials base, the production of progressive metal products is of exceptional importance. These, as a rule, are costly but very necessary and efficient products, and every consumer must make thrifty use of them. I am drawing attention to this because there are very many shortcomings here.

Considerable changes in the structure of construction materials have necessitated high targets for the growth of the chemicals industry. Major resources were invested in it in the past, too. However, the Ministry of the Chemical Industry and the Ministry of the Production of Mineral Fertilizers are still characterized by uncomprehensive development. A number of disproportions have been allowed to occur both between the raw materials base and the processing industry and between different conversion processes. This has given rise to underuse of existing capacities and to a failure to meet production plans, which often makes it necessary to buy chemical raw materials and semifinished materials abroad. The lack of coordination between and slow assimilation of capacities meant that badly needed chemical output worth more than R2 billion was not obtained in 1985 alone.

There are very great shortcomings in the production low-bulk chemical output. These have been mentioned for a long time now. Above all there is a shortage of bright, fast synthetic dyes for consumer goods production, of high-efficiency output needed for the machine building complex, and of particularly pure substances for microelectronics and fiber optics. Our chemical workers must resolve these questions once and for all.

I should like to stress that the chemical industry is among the sectors which determine progress throughout the national economy therefore capital investments for its development are increasing by a factor of 1.5. This places special responsibility on the people entrusted with leading the sector.

Considerable efforts will be required to improve the state of affairs in the timber, wood processing, and pulp and paper industry. The sector has been given high production growth rates in the 12th 5-Year Plan. Emphasis is placed on strengthening processing and producing progressive substitues for expensive timber raw materials. Even so, demand for its output is not being fully met. This applies primarily to the production of paper, where the shortage is to a great extent holding back the development of the printing industry and is affecting the satisfaction of the Soviet people's exceptionally high demand for books.

In view of the sector's technical condition, the targets planned for its development are intensive, but the sector also possesses large reserves. Suffice it to say that almost one-fourth of total waste timber raw materials are still not used and, what is more, pollute the environment. The level of use of waste paper is low. Unlike many other sectors, production in this sector is based on renewable resources and they can be used more fully. And, of course, it is impossible to justify the fact that there has been virtually no increase in the export potential here in recent years, even though the opportunities are vast.

Major changes are planned in the construction materials industry. It is planned to doublecement production using energy-saving manufacturing processes and to improve the quality and expand the production of new, efficient types of materials and highly prefabricated construction products. The sector must considerably increase the production of consumer goods.

The draft plan bolsters the development of the fuel and raw material sectors with the preferential growth of GEOLOGICAL PROSPECTING work. Expenditure for these purposes is planned at R46 billion, or almost 40 percent more than in the last 5-year plan. Around 70 percent of that expenditure will be channeled into expanding the raw materials base of the oil and gas industry. Prospecting for all other types of raw materials is being stepped up.

Given the increasing rate of development of the economy, the efficient and smooth working of sectors in the TRANSPORT COMPLEX is of special significance. The volume of freight shipments by all types of transport is planned to increase by 17 percent. The plan outlines more rational freight flow according to individual types and places stress on increasing efficiency and introducing techniques which increase handling and carrying capacity and save fuel. Some R62 billion of capital investments are being channeled into developing and strengthening transport's material and technical base. This will make it possible to considerably retool transport with progressive equipment and new types of locomotives, ships, aircraft, and vehicles.

A great reserve for enhancing efficiently is to increase shipments of freight in packages and containers. During the 5-year period they will increase by 40 percent, including an 80 percent increase in shipments of big-tonnage packages and containers. This switch to progressive methods of transportation will produce a substantial gain -- running costs will be reduced by approximately R3 billion.

Qualitative changes will take place in railroad transport. It is planned to implement a sizable program for electrifying railroads; 8,000 km of electrified line is to be brought into service, which is 70 percent more than in the preceding 5-year period.

I would like to dwell especially on the problem of improving railroad passenger transport. While in the sector as a whole certain positive changes have occurred, the situation in this sphere remains unsatisfactory and it will have to be radically improved. For the sake of objectivity it must be noted that the requirements of the Ministry of Railways for passenger cars have still not been fully met. The Ministry of Heavy and Transport Machine Building and the Latvian SSR Council of Ministers must try to uncover potential for additional deliveries of cars in the current 5-year period. There are other questions, however, which depend entirely on the Ministry of Railways. This applies above all to the quality of passenger services, which give rise to numerous complaints. Here no major additional resources are required. Transport workers must simply display elementary concern for people's welfare. This problem is not confined to railroad transport. It is just as acute in air, road, and other types of transport.

Probably one of the most crucial sections of the plan is CAPITAL CONSTRUCTION. As was emphasized at the CPSU Central Committee plenum, this is the area of the national economy which requires fundamental restructuring. An enormous construction program has been outlined for the 12th 5-year Plan. We are increasing the volume of capital investments substantially. It will total R994 billion. Profound changes are taking place in the sector and reproduction structure of capital investments.

First, they are to be concentrated on providing for key programs of statewide importance -- the Food and Energy Programs, the development of machine building, and the widespread application of electronics and chemical industry products in the national economy. More than 80 percent of the total increase in capital investments is being allocated for this purpose, as against 50 percent during the 11th 5-Year Plan.

Second, there is a substantial increase in the volume of capital investments allocated to housing construction and the consolidation of the material base of the sociocultural sphere.

Third, priority is being given to the retooling and reconstruction of existing enterprises. Around R232 billion of capital investments has been allocated for this purpose, 70 percent more, that is, than in the last 5-year period.

All this makes special demands on capital construction. And it all has to begin at the design stage. The quality of design work determines the technical standard of reconstructed and new enterprises for many decades to come. Meanwhile, owing to poor supervision on the part of ministries and the USSR Gosstroy, design organizations continue to produce poor quality designs. Spot checks have revealed that more than 50 percent of the plans passed by ministries as corresponding to the prevent standard of technology have to be substantially revised, with 10 percent being recommended for mothballing.

The most unfavorable situation in this respect has been exposed in the Ministry of the Machine Tool and Tool Building Industry, the USSR Ministry of the Construction Materials Industry, and a number of others. Between 60 and 80 percent of the design plans accepted by these ministries were found to be unsatisfactory. For instance, the USSR Ministry of the Construction Materials Industry passed as corresponding to the present standard of technology a plan for the construction of a plant for the production of ceramic wall tiles at Gusinoozersk. An investigation revealed that it made provision for the use of inadequate equipment and that questions of the mechanization of labor-intensive processes had not been resolved. Labor productivity indicators were 50 percent lower than at corresponding enterprises abroad, while fuel consumption was 40 percent higher. The project had to be mothballed. How can you begin construction work with such blueprints? Irresponsible attitudes to design work must be eradicated. Ministries have been instructed to review existing design plans with the aim of preventing the construction of new enterprises and the reconstruction of existing enterprises on the basis of obsolete documentation. This must become a law for sector headquarters.

In the 5-year plan special emphasis is placed on reducing the duration of the investment cycle. According to the USSR Bank for Financing Capital Investments, against the average norm of 3 to 3 and 1/2 years for the construction of industrial enterprises, these enterprises actually take 9 years to build. This "protracted construction" is such a heavy burden on the country's economy that it is literally pulling it backwards and resulting in a slow pace, low efficiency, and disproportions. In order to overcome this serious shortcoming the CPSU Central Committee and the USSR Council of Ministers have elaborated a fundamentally new approach toward the formulation of plan targets. As of 1987 capital investments and contracts for the construction of projects will have to correspond fully to the norms for construction duration. In view of this, we are deliberately mothballing some of the projects currently under construction, above all those which are not of prime economic importance or are based on obsolete designs. This is a painful but essential measure. Without a resolute concentration of forces and resources we will not be able to match leading technical standards of production.

General construction ministries, whose volume of work will increase substantially, face complex and responsible tasks. Thus the volume of work in the USSR Ministry of Construction of Heavy Industry Enterprises will increase by 25 percent, and in the USSR Ministry of Industrial Construction and the USSR Ministry of Construction by 30 percent The construction ministries, whose work, let's be frank, has been unsatisfactory in the past few 5-year plans, have been instructed to implement effective measures to increase the capacities of construction and installation organizations, above all in areas of concentrated construction, to ensure that key national economic tasks are implemented, especially in the social sphere.

Construction workers are faced with resolving a fundamentally new problem in connection with the sharp increase in the scale of retooling and reconstruction of existing enterprises. To this end, as is known, decisions have been adopted which make reconstruction economically advantageous for both clients and contractors. They must be implemented everywhere.

In the 12th 5-Year Plan the method of construction based on own labor resouces is to be developed on an extensive scale. It is necessary when applying this method to the retooling and reconstruction of existing enterprises to involve the personnel of these enterprises more extensively in this work. This is a rational way to conduct reconstruction. It means that it will be carried out by people who are vitally interested in this matter, who are familiar with the production unit, and who, when the work is completed, will return to their shops, their reconstructed work places. The first step in this direction has been taken. The reconstruction of the Alapayevsk metallurgical plant is being carried out by a trust whose labor force consists mainly of the plant's workers. And, of course, it is very important when applying this method to ensure that the material resources and machinery provided match those available to the main contracting ministries.

These are the main tasks which will have to be resolved in capital construction. It boils down to the following: The accelerated development of the economy in the 12th 5-Year Plan and in the longer term can be achieved only if the work of the entire construction complex, of all the components of the investment cycle, is radically improved.

The Development of the Agro-Industrial Complex and the Implementation of the Food Program

Comrades!

A most important socioeconomic task of the 12th 5-Year Plan is the reliable provision of the country with food and agricultural raw materials. As is well known, definite positive changes have taken place in this sphere in the period since the CPSU Central Committee May (1982) Plenum. However, the results that have been achieved cannot satisfy us. The situation as regards meat, milk, vegetable, and fruit supplies to the population in a number of areas still remains acute.

The 5-year plan outlines a detailed system of measures to further develop and strengthen the material and technical base of the agro-industrial complex and radically improve its activity. It is planned to increase the agricultural production growth rate by a factor of 2.6. Preferential growth is envisaged in the food industry by comparison with agricultural production. This will make it possible in 1990 to reach the level of average per capita consumption of the most important foodstuffs laid down by the USSR Food Program.

	1980	1985	1990	
				Draft 5-Year Plan Food Program
Per capital consumption of staple foodstuffs, kg:				
Meat and meat products	58	61	70	70
Milk and diary products	314	323	330	330-340
Eggs	239	260	265	260-266
Vegetable oil	8.8	9.7	10.2	13.2
Vegetables and cucurbits	97	102	127	127-135
Fruits and berries	38	46	68	66-70

The fulfillment of the projected targets will require intensive work by all sectors of the agroindustrial complex. Grain farming remains the key link in the development of agricultural production. It is planned to increase the gross grain harvest in 1990 to 250 million metric tons and to increase yield to 21 quintals per hectare.

The situation as regards the production of oilseed crops must be substantially improved. An unfavorable situation has emerged here, especially in the Ukraine. Yields and gross harvests of them have virtually not increased for the last three 5-year plans and the production and per capita consumption of vegetable oil are not being ensured in the amounts determined by the USSR Food Program. The result of this is that, from being an exporter of vegetable oil, the country has become a constant importer of it.

The draft plan envisages increasing the average annual production of sunflower seeds, the main oilseed crop, to 6.6 million metric tons as against 5 million metric tons in the 11th 5-Year Plan. Measures have been determined to heighten the interest of kolkhozes and sovkhozes in increasing the production and sale to the state of oilseeds.

In the 12th 5-Year Plan there will be tangible improvements in livestock raising, on which the improvement of the qualitative structure of the population's nutrition largely depends. It is planned to increase average annual production of meat by 2.8 million metric tons and of milk by 9 million metric tons.

A decisive role is assigned to creating a firm feed base. This question has been and remains the main one for livestock raising, and all opportunities must be utilized here. This applies particularly to the protein balance of feed. It was not possible to fully resolve this problem during the last 5-year plan. Many union republics did not fulfill the plan for the production of protein-rich feed. As a result there was great overexpenditure of feed grain, and the efficiency with which it is utilized is low.

The draft plan outlines a considerable increase in the production of vegetable feed protein. The gross harvest of pulse crops is to increase 80 percent. Production of soybeans and rapeseed is to be increased and the area sown to perennial leguminous grasses is to be expanded.

At the same time it is planned to increase the industrial production of protein feed additives. Microbiological protein production is to more than double during the 5-year plan. Production of fish meal and dry animal feed is being substantially built up. The Ministry of the Medical and Microbiological Industry, the USSR Ministry of the Timber, Pulp and Paper, and Wood Processing Industry, and other ministries and departments must unconditionally fulfill the targets laid down in the plan.

The plans for agricultural production and all sectors of the agro-industrial complex are backed up by a further strengthening of its material and technical base. Capital investments are planned in strict accordance with the USSR Food Program. They will account for 33 percent of the total for the national economy. The role and scale of the utilization of the achievements of scientific and technical progress are increasing considerably. During the 12th 5-Year Plan it is planned to almost triple the area on which grain crops are cultivated by means of intensive techniques -- increasing it to 50 million hectares. Virtually all grain corn, rice, sugar beet, and sunflowers will be cultivated by means of these techniques.

Great tasks have been laid down in the sphere of production chemicalization and land reclamation. The introduction of rotary conveyor lines, membrane technologies, and new methods of storing produce into the food sectors of industry will be accelerated.

The problem of eliminating losses is more acute in the agro-industrial complex than in any other sector. A considerable amount has been done, but there are still huge and well known reserves in this sphere. The USSR Gosagroprom and the USSR Gosplan, in conjunction with the union republics, must organize matters and use capital investments and material resources in such a way as to ensure a fundamental improvement in the revolution of this problem in the 12th 5-Year Plan. To this end fuller use must be made of all potential for the more comprehensive processing of agricultural output, the elimination of losses, and the utilization of waste-free techniques.

Special importance is attached to the new economic management mechanism in accelerating the growth rate of agricultural production. It opens up scope for the development of initiative and enterprise and creates an interest on the part of labor collectives in ensuring high end results. At the same time it increases the responsibility of all management links for the utilization of more flexible economic methods of leadership.

Under present conditions the role of republican and local organs in supplying their regions' population with food is changing fundamentally and their responsibility for this is increasing. All the output produced once the targets for deliveries to the centralized all-union stock have been fulfilled is now being left at their disposal. Therefore the satisfaction of the population's needs for food products will depend largely on their work.

It is necessary to make fuller use of all available potential for developing the production of products not only on sovkhozes and kolkhozes, but also on enterprise and organization subsidiary farms, on citizens' personal plots, and in collective horticulture and truck gardening. Thus by the end of the 5-year plan production of livestock and poultry, in live weight, per worker will reach 15-20 kg per year in most industrial ministries. However, as the examination of the draft 5-year plan has shown, the leaders of certain sectors still underestimate the importance of this question. Meat production in subsidiary farms of the Ministry of Instrument Making, Automation Equipment, and Control Systems and the USSR Ministry of Communications is planned at the level of less than 4 kg. Such an approach can clearly in no way be called responsible.

New demands are being made of consumer cooperative organizations. Although their capacity has been somewhat revitalized, on the whole it still does not match up to the set tasks. The consumer cooperative movement can and must fundamentally improve work with the population and considerably increase purchases and processing of output; it must increase its role in satisfying working people's needs, adopt firm positions, and substantially influence prices on kolkhoz markets.

In short, the agro-industrial complex now has all the necessary organizational and ecomonic preconditions and sufficient material and technical resources for the projected progress. We are entitled to expect them to be utilized with great efficiency and to produce fruitful results.

The Expansion of Consumer Goods Production and Imporvement of Their Quality

The plan attaches paramount importance to developing the production of nonfood goods. The task in this sphere, which now applies to practically all industrial sectors and enterprises, is clear -- saturating the market within a short time with the consumer goods needed by the population. Along with increasing the production of consumer goods, it is necessary to ensure fundamental shifts in improving their quality and range.

From this viewpoint the targets of the Comprehensive Program for the Development of Consumer Goods Production and the Services Sphere were revised upward. The great and specific work carried out by ministries, departments, and union republic councils of ministers during the preparartion of the plan made it possible to reveal and bring into play additional reserves. Quite a substantial increase has been achieved: The projected production of nonfood goods in 1990 is R16.3 billion more than was envisaged in the Comprehensive Program. In the 5-year plan as a whole production of them will increase by 35 percent instead of 30 percent.

It is no exaggeration to say that exceptionally important tasks face light industry. The problems of quality and range are probably particularly acute in this sector. It is now mainly a matter not of the primary demand for goods, but of satisfying the population's requirements for more durable, better-quality, more fashionable articles. In view of this work of enterprises in the sector must be substantially restructured.

This is a tricky and multifaceted problem. It will be resolved comprehensively and on a large scale. The widespread reconstruction and renovation of existing enterprises in the sector on a modern technical basis is an urgent matter. Over R11 billion in capital investments -- 25 percent more than in the last 5-year plan -- is being challened into its accelerated retooling. To this end the CPSU Central Committee and the USSR Council of Ministers have decided to involve all machine building ministries, including the defense ministries, in producing the most modern equipment for light industry.

Much remains to be done to increase the production of cultural, everyday, and household goods in all sectors of industry. It will increase by almost 50 percent. Over the 5 year 51 million radio receivers, 50 million television sets, 31 million refrigerators, around 30 million washing machines, and a great deal of other household equipment will be produced. The problem of the quality of such goods is also very acute. The CPSU Central Committee recently made a principled and exacting examination of the unsatisfactory work of Kuybyshev's "Ekran" Production Association, which is turning out poor-quality televisions. The culprits have been strictly punished. Others must also draw the necessary conclusions. Manufacturing enterprises must work to ensure that the guarantee period of technically complex domestic appliances means a period of faultless operation, not merely the right to free repairs. To this end it is necessary to make changes to the economic management mechanism so that it hits slipshod workers hard.

A great deal can and must be done locally to satisfy the population's needs for various goods. However, even now the existing potential is fully utilized by no means everywhere. Is it acceptable for local industry enterprises to produce from local raw materials and secondary resources goods for the population amounting to only R1.5 per capita in the Tajik and Turkmen SSR's and only R2 per capita in the Azerbaijan and Ubzek SSR's?

During the 12th 5-Year Plan it is planned that capital investments in local industry should increase by 60 percent. These are considerable funds. They must be used thriftily, with particular attention being paid to increasing the production of goods according to the specific nature of consumer demand in the different parts of the country.

The production of goods for the population must become a truly nationwide concern and a matter of constant concern on the part of party, soviet, and economic organs in every region and every sector.

III. The strengthening of the Social Orientation of the 5-Year Plan

Comrade deputies!

The party's course of accelerating social production is aimed at achieving qualitative transformations in Soviet people's living and working conditions and in the entire social sphere. It is here, ultimately, that socialism's supreme goals and values are realized, and its advantages and its humanist nature are revealed particularly graphically.

This CPSU program tenent finds concrete expression in the strengthening of the social orientation of the 5-year plan. National economic proportions and the development of practically every sector are subordinated more than ever before to the interests of social progress, the raising of the material and cultural standard of living for the broadest strata of Soviet society, and the improvement of the conditions for the development of the working person's creative capacities.

The planned expansion of the scale of production and increase in its efficiency create a firm basis for the acceleration of the rate of growth of the people's prosperity, the implementation of progressive changes in the structure of consumption, the fuller satisfaction of the population's housing needs, and the strengthening of health and leisure. Soviet people's spiritual life will become richer and fuller and their level of education and culture will rise.

An important distinctive feature of the entire 5-year Plan is that the social program itself is designed to promote to the maximum the increase in social production efficiency and the development of the masses' labor initiatives. This goal will be served by the unfailing exercise of the principle of social justice and the socialist distribution of the necessities of life.

The Growth of Income and the Satisfaction of the Effective Demand of the Population

An important role in the resolution of social and national economic tasks is the implementation of an active, realistic policy in the sphere of the population's income and the satisfaction of its growing effective demand. The scale and directions of the growth of the population's income are linked very closely with the planned increase in labor productivity and the expansion of the production of consumer goods and services.

A major socioeconomic measure in the sphere of LABOR REMUNERATION is the introduction of new wage rates and salaries, increased by an average of 25-30 percent, for workers in the sphere of material production. As a departure from previous practice, it is planned to implement this measure, as was laid down at the 27th CPSU Congress, mainly from the enterprises' internal sources. The necessary fund must be earned by labor collectives on the basis of improved organization of production and the fulfillment of a growing volume of work by a smaller number of people. That is a realistic way of increasing the effectiveness of remuneration for labor. At present, the drawing up of the new wage rates and salaries is nearing completion. The specific dates for their introduction will depend directly on the ability of each enterprise to find the necessary funds. Ministries and labor collectives should now be launching preparations and elaborating a package of economic, production, technical, and organizational measures to ensure the mobilization of the necessary resources for the transition to the new rates and salaries.

In the 12th 5-Year Plan, a major new step will be taken to increase the labor remuneration of workers in the nonproduction sphere. This year sees the completion throughout the country of the increase in wages for teachers and other pedagogical workers at schools and vocational and technical institutions, while next year it will be completed in all remaining public education institutions. From November of this year, the phased introduction of new conditions for labor remuneration in health care will begin. Next year, it is planned to embark on increasing wages for workers in cultural enlightment institutions, higher education, and technical schools.

The territorial regulation of labor remuneration will be improved. With a view to attracting and retaining cadres, provision is made for funds to add supplements to the wages of those working in the regions of the Far East and East Siberia, and regional coefficients for workers and employees for whom these have not yet been established -- in the Urals, Kazakhstan, and Vologda and Kirov Oblasts. Some of these measures are already being implemented this year.

In the 5-year plan as a whole, the average wage for workers and employees will increase by nearly 15 percent, and in 1990 it will reach R218 a month. Labor remuneration for kolkhoz members will increase by an average of 18 percent; their real income, taking into account income from personal plots, will be virtually equal to the income of workers and employees.

The implementation of party policy in the sphere of increasing and improving labor remuneration will be accompanied by an implacable struggle against unearned income.

The role of SOCIAL CONSUMPTION FUNDS in resolving socioeconomic tasks is increasing considerably. Payments and concessions to the population from these funds will increase by 25 percent. They will amount to R635 per person in 1990.

Major new measures will be implemented in the sphere of stepping up the concern of the Soviet state for those members of society who are not capable of work -- children and old people. In 1987, it is planned to increase to 14 the number of paid days off for looking after a sick child, and to increase the penisons formerly set for the vast majority of kolkhoz members, as was recently done for pensioners who were workers and employees. It is planned to increase in the 12th 5-Year Plan the length of postnatal maternity leave and leave to care for a child until it reaches the age of 18 months. A number of additional concessions are being introduced for war and labor veterans, as well as for working mothers and newlyweds.

State loan obligations will continue to be extinguished.

The planned growth in monetary income will substantially increase Soviet people's purchasing power and lead to an increase, or rather a qualitative improvement, in their needs and aspirations. The resolution of the problem of satisfying the population's effective demand thus acquires paramount importance.

Hence the heightened attention which was devoted, in the course of the elaboration of the plan, to the formation of the volume and structure of RETAIL TRADE TURNOVER. Here it was taken into account that an increasing proportion of the population's spending will be devoted to acquiring high quality goods, new articles, and also consumer goods associated with the establishment of a healthy way of life for Soviet people. The plan strictly pursues a line of reducing sales of alcoholic beverages. At the same time, the proportion of nonfood goods in the retain trade turnover will increase from 51 percent in 1985 to 60 percent in 1990.

I would particularly like to mention the satisfaction of the population's demand for construction materials. Despite all the difficulties over resources, this task should be resolved in the near future. But to this end, the USSR Ministry of Trade, the Tsentrosoyuz, the USSR Gossnab, and union republic councils of ministers must substantially strengthen the material base of trade, which is currently in a neglected state and causes people great inconvenience.

Overall, retail trade turnover, excluding wines and spirits, will increase by more than one-third during the 5-year period, or by R92 billion. Formerly such an increase in trade turnover would have taken more than 10 years.

Another increasingly important avenue in the satisfaction of the population's needs will, as is well known, be PAID SERVICES. In the 5-year plan, a comprehensive national economic approach is applied, basically for the first time to the development of this sphere. A markedly preferential rate of increase in paid services is envisaged in comparison with the increase in the production and sale of consumer goods. These services will increase by 50 percent in the 5-year period. A major step is thus being taken to create a modern, highly developed system of services.

It is planned to satisfy much more fully the demand for the following services: the technical servicing and repair of means of transport and household appliances [bytovyye mashiny] and the construction and maintenance of housing, garden sheds and greenhouses [sadovyye domiki], and garages. Transport and communication, tourist and excursion, and other types of services will be developed at a high rate.

The key to success is the accelerated development of the service industry, primarily of the specialized ministries and departments. At the same time, an effective system will have to be developed to enable the population to obtain services from the enterprises of all ministries and departments irrespective of their basic activity.

At a time when technical progress is swiftly altering not only the production sphere, but also Soviet people's daily life, the reliable and faultless functioning of television and radio sets, refrigerators, and domestic appliances [domashnyye pribory] is becoming a matter of great social significance. Taking into account the working people's complaints about the quality of complex household equipment, along with the weakness of the repair base, the machine building ministries have been instructed to implement urgently measures to create a network of direct-sales services [firmennoye obsluzhivaniye] for the population. The organization of such a network will link them directly with the consumers and make them keep a critical eye on the quality of the output manufactured by them and work more diligently on improving it. Of course, this must by no means reduce the responsibility of the union republics' consumer services ministries for the repair of complex equipment. They must not counteract the development of progressive new forms but, together with the machine building ministries, seek ways of resolving the common task.

Thus, the expedited formation and development of a paid services sphere is a matter requiring the mobilization of all our capabilities.

Strengthening the Material Base of the Sociocultural Sphere

In accordance with the 27th CPSU Congress directive, special attention is devoted in the 5-year plan to strengthening THE MATERIAL BASE OF THE SOCIOCULTURAL SPHERE, which is playing an ever increasing role in the life of the Soviet citizen. Improving living conditions and medical services, developing public education, and enhancing the cultural standard of the population -- these and other issues occupy an important place in the 12th 5-Year Plan's social program.

The HOUSING problem is one of the most pressing problems requiring our increasing efforts. The party has set a task of enormous social importance -- ensuring that practically every family has a separate apartment or private house by the year 2000. Proceeding from this premise, much work has been done to search out the maximum potential for expanding housing construction.

As a result, we have envisaged the commissioning during the 5-year period of apartment blocks totaling 595 million square meters, which considerably exceeds the targets laid down in the Basic Guidelines. Thus a noticeable shift in comparison with the previous three 5-year plans will be ensured when the commissioning of housing remained at the same level. It is planned to develop housing construction in the countryside at preferential rates. It will rise by 27 percent.

It is important not only to achieve everywhere the fulfillment of housing construction plans, but also constantly to seek out additional reserves for its expansion, including the more active use of enterprise means for this. There must be a considerable expansion in housing construction using own resources and in the involvement of the labor of the future occupiers.

Shortcomings in housing construction, which generate the Soviet people's legitimate dissatisfaction, should be eliminated without delay. It is primarily essential to eradicate apartment construction of poor quality and of their being handed over in a state of incompletion. At the same time, it is necessary to make maximum use of the latest technical achievements to reduce the cost of production and prevent its unjustified rise.

As has already been pointed out, the 5-year plan contains a package of measures aimed at overcoming the backwardness tolerated in the past in developing the material base of PUBLIC EDUCATION, HEALTH CARE, CULTURE, and other sectors satisfying the population's requirements for sociocultural benefits.

A substantial growth in capital investments is planned for each of these sectors. The commissioning of sociocultural facilities has, as a rule, been set at a figure higher than envisaged in the Basic Guidelines.

	1981 through 1985	1986 through 1990	
		Basic Guidelines	5-Year Plan Draft
Commissioned through all sources of financing:			
Preschool establishments, millions of places	2.9	approx 3	4.4
General education schools, millions of places	5.2	7	7.2
Vocational and technical colleges within the system of the USSR State Committee for Vocational and Technical Education, thousands of places	467	no less than 810	810
Outpatient and polyclinic establishments, thousands of visits per shift	710	900	908
Hospitals, thousands of beds	318	350	358

The chief thing now is to use these funds effectively and purposefully. We must seek to ensure that nowhere -- neither in the center nor in the localities -- do we allow an underestimation of the development of the sociocultural sphere or view it as a secondary matter which can just wait.

The plan provides for essential measures for the universal realization of such an important social task as the complete satisfaction in the 12th 5-Year Plan of the need for preschool establishments. We are planning a 50 percent increase in their construction. In order to solve this task, we have arranged for republic and local organs and ministries to have the right to build kindergartens through all sources of financing, and they must exercise this right in full measure.

Tireless efforts are required for the implementation of the school reform and the gradual transfer to universal vocational education, and for the improvement of the entire business of youth education and young people's preparation for an independent working life. The agenda of the day is: a radical improvement in the system of higher and secondary specialized education in accordance with our society's modern requirements.

Funds for developing the network and strengthening the material base of cultural institutions in the cities and especially in the countryside are being more than doubled. It is important to raise the content level of their activities, to satisfy more fully the growing demands of different categories of the population, and to promote the formation of high aesthetic tastes in the members of society, and primarily young people.

And, of course, the work of medical institutions is in need of serious improvement -- of a cardinal restructuring, to put it directly. Expanding the construction of polyclinics and hospitals and increasing the output of medicines and the training of doctors will not produce the desired effect unless all this is to be accompanied by an improvement in the organization of health care. It is essential also to heighten medical workers' feelings of responsibility for the work assigned to them, for a person's most valuable possession -- his or her health -- which has been entrusted to them.

Comrade deputies, the most important tasks and measures for increasing the people's well-being, as reported to you, meet the CPSU's programmed directives on the pursuit of an active, socially strong policy. The 12th 5-Year Plan is ensuring a substantial movement toward a new quality and standard of living for Soviet people. This is further cogent testimony to the untenability of our ideological adversaries' inventions concerning the allegedly feeble orientation of socialism's economy toward raising the people's well-being.

Aside from socialism, not one other social system has known or knows such a depth of social transformations and such a growing concern for a person's material needs and spiritual requirements with a view to the harmonious, full-fledged development of the individual. This indeed is socialism in practice, this indeed is the real embodiment of genuine social justice.

IV. Improving Territorial Proportions and Developing the Union Republics and Economic Regions

Comrades!

Improving the siting of productive forces, with the aim of effectively developing every region as part of the unified national economic complex, is an important aspect of present-day socioeconomic policy. It is precisely from this standpoint that the territorial proportions of the 5-year plan have been formulated. The plan envisages considerably boosting the economy and the people's prosperity in all union republics and in every economic region on the basis of further deepening of the unionwide division of labor. Here the planned industrial production growth rates for most republics are close to or above the upper limit of the targets set by the Basic Guidelines.

	1990 as percentage of 1985		
	Industrial Output	Agricultural output (average annual volume)	Retail commodity turnover (minus alcoholic products)
RSFSR	123	115	135
Ukrainian SSR	121	114	130
Belorussian SSR	125	113	134
Uzbek SSR	128	116	133
Kazakh SSR	126	113	134
Georgian SSR	125	114	128
Azerbaijan SSR	123	114	131
Lithuanian SSR	119	114	130
Moldavian SSR	124	116	124
Latvian SSR	118	114	129
Kirghiz SSR	124	113	140
Tajik SSR	126	113	130
Armenian SSR	128	112	134
Turkmen SSR	123	114	129
Estonian SSR	115	113	121

Work on the 5-year plan has shown that the paramount problem for all union republics is to considerably boost the return from the large potential which has been created there and which will continue to increase. It has to be bluntly said that the efficiency of the economy in a number of them is low. In the Kazakh SSR, for example, fixed production capital grew in the 11th 5-Year Plan by 35 percent, whereas national income rose by only 7 percent, and that only as a result of increasing the number of workers. This kind of extensive path of development is also characteristic of the Uzbek SSR. The plan targets for the 12th 5-Year Plan were determined on the assumption of a considerable improvement in the utilization of production potential. Every union republic is required in the new 5-year plan to increase its contribution to achieving statewide tasks.

In the RSFSR preferential rates are envisaged for the machine building, gas, and chemical industries, and the output of consumer goods will substantially increase. Measures to considerably develop the output of agro-industrial complex sectors, particularly in the non-Chernozem Zone, have been outlined; further strengthening of their material and technical base will be carried out and the rural population's social and everyday living conditions will be improved.

In the Ukrainian SSR sectors like instrument making, machine tool building, and heavy and power machine building will be developed more rapidly. The targets for retooling ferrous metallurgy are of particular importance. The reconstruction of coal mines in the Donbass will continue. And, of course, major improvements [sdvigi] must occur in the republic's agriculture.

The Belorussian SSR will deepen its specialization in the production of machine building output, above all, instrument making, radioelectronics, electrical equipment, and machine tool building output. Production of agricultural equipment will increase. Crop growing and livestock raising there will be developed at high rates.

In the Baltic republics electronics, instrument making, rail car building, and the communications industries will receive priority development.

In the Moldavian SSR, in addition to machine building and metallurgy, the plan also pays special attention to the agro-industrial complex, to converting its processing sectors and considerably boosting the production of fruit and vegetables.

In the transcaucasian republics it is planned to give preference to machine building and the power industry. The food industry is also being oriented toward increasing production of vegetable- and fruit-based products.

The Kazakh SSR will continue to strengthen ferrous and nonferrous metallurgy's raw materials base. The construction of major tungsten-molybdenum enterprises will start. Increasing its contribution to grain stocks is a very important task for the republic.

The Central Asian republics will develop the electrical equipment and instrument making industries, electronics, and light industry. The creation of small, modern enterprises and subsidiaries with the aim of involving the able-bodied population in social production will continue. Measures to strengthen the cotton industry's material and technical base have been outlined.

For all the specificity of the structure of each union republic's economy there is one enormous, crucial task for them all -- the task of strengthening the spheres directly connected with meeting working people's diverse needs. Union republics have now been granted great rights to resolve these questions and they must make wide use of them. A good example is being set by the Belorussian SSR, on whose initiative many plan for social indicators have been increased by making fuller use of local resources. However, it must be frankly said that not everyone has yet changed their ways or fully realized their high responsibility in this important matter and they are continuing to rely on the center.

The need for more effective use to be made of union republics' rapidly growing scientific potential must be stressed. This potential must be more vigorously harnessed to the solution of pressing regional problems. We have quite a lot that is positive here. Scientific centers in the Urals, Siberia, the Far East, the Ukraine, and the Baltic are working productively. Their experience must be disseminated and adopted.

The 12th 5-Year Plan is distinguished by a more rational solution of such important national economic problems as the need to overcome the disparity that has arisen between the location of natural resources and raw materials, particularly fuel and energy of the economic regions.

The plan lays down major measures to further build up the economy of the European part of the USSR and the Urals, which are being geared to a resource- and energy-saving policy with a limitation on the construction of new fuel-intensive production units and on the expansion of existing ones. It is planned to carry out the develpoment of industry in the country's European regions mainly by retooling and modernizing existing enterprises without increasing the work force.

A fundamentally new stage is beginning in the development of Siberia and the Far East, whose importance for our national economy is growing immeasurably. It consists in achieving integration in their economies and improving coordination between extracting and processing sectors while enhancing the role of the latter. Priority development of these major regions forms an integral part of the party's economic strategy, and is a matter for the whole country and all union republics.

In West Siberia, in addition to increasing gas and oil production, it is planned to advance oil- and gas-refining at an accelerated rate, to convert a number of machine building enterprises to manufacturing products for the oil and gas comples, and to considerably expand capacities for the production of mineral fertilizers.

In the East Siberia Economic Region it is planned to comprehensively develop the productive forces of Kransnoyarsk Kray, to technically modernize many enterprises in Irkutsk Oblast, and to speed up the commissioning of power capacities in the Transbaykal region.

In the Far East, preferential rates are planned for the sectors of the fuel and energy complex based mainly on the working of new open cut coal mines and the construction of thermal and hydroelectric power stations. The conversion metallurgical plant at Komsomolsk-Na-Amure will reach full capacity and the structure of the timber processing industry will be improved.

The 5-year plan thus contains organically interlinked tasks to develop the union republics, the major economic regions, and territorial-production complexes, which are designed to enhance the efficiency of the country's entire economy.

V. The Development of Foreign Economic Ties

Comrades! The carrying out of the tasks of national economic development require the wide utilization of the potential and advantages of the international division of labor and economic, scientific, and technical cooperation with foreign states, above all the socialist states. The starting point for the elaboration of the plan was provided by the 27th CPSU Congress instructions on stepping up foreign economic ties in order to accelerate our country's socioeconomic development, consolidate socialism's positions, and strengthen peace and international security.

In accordance with this, major measures are envisaged to increase the return on foreign economic ties. This means embarking on a substantial change in the structure of foreign trade turnover and making exports and imports more effective. It is planned to increase at preferential rates deliveries of output from processing sectors, in particular machines and equipment, for export. This increase will total 70 percent. As a result the proportion of our exports accounted for by machine building products will increase.

The implementation of these targets requires foreign trade organizations, sector ministries, and associations and enterprises to carry out purposeful work to improve the competitiveness of export products and find nonstereotyped solutions to questions of ensuring wide penetration of foreign markets. Here firm positions can only be won by producing the most advanced, fundamentally new machinery and output. Penetration of the world market should be an important criterion in assessing the effectiveness of the work of industrial ministries and production collectives.

In import policy, as everywhere, the line pursued is one of strict savings, the thrifty, careful utilization of currency resources, and avoiding the purchase of articles which we can do without. However, many economic leaders have not reoriented themselves in the spirit of the times, and seek to solve their problems through imports, without taking state interests into account. This approach leads to a lack of initiative on the part of those involved in development work and a lack of confidence in our own efforts and potential. It is time to put an end to such sentiments, once and for all.

We obviously need to develop the economic machinery and educate economic cadres in such a way that their import requirments are strictly in accordance with their export potential

The core of the USSR's foreign economic ties will continue to be cooperation with the CEMA countries. The pooling of the efforts of the entire socialist community to accomplish a common task and the transfer of all the countries' economics onto a path of all-around intensification are reliable guarantees of success. That is the unanimous conclusion of the congresses of the fraternal countries' communist and workers parties. It was once again stressed at the Warsaw Pact Political Consultative Committee conference held in Budapest recently. Summing up the results of the conference, the CPSU Central Committee plenum expressed the conviction that the friendship and cohesion of the fraternal socialist countries will help to further establish international cooperation for the sake of peace and progress on earth.

The coordination of state plans, which has been carried out successfully with all the socialist countries, has made it possible to make provision in the 12th 5-Year Plan for a further increase in their share of the USSR's foreign trade turnover. Most attention was devoted to the consistent implementation of accords reached at summit level and of the Comprehensive Program for Scientific and Technical Progress of the CEMA Countries Through the Year 2000. The measures defined in this very important document of integration provide for the socialist community states to reach leading positions in the most important spheres of science and technology. The Soviet Union's obligations arising from the Comprehensive Program are an integral part of the 5-year plan. Resources have been allocated for their implementation and key organizations have been appointed -- leading scientific research institutes and science-and-production associations. Thus the necessary conditions have been created for launching practical work.

A new, qualitatively higher level of integration requires intensive efforts and an active, creative approach. The traditional forms of foreign trade exchange are, in effect, exhausted, and cannot ensure the necessary dynamic in cooperation. In the 12th 5-Year Plan specialization is to be resolutely deepend and wide cooperation is to be developed in the production of the latest types of output. This is a mutually advantageous cause, making it possible to accelerate technical progress in our community. Direct production ties with enterprises in the fraternal countries are to be developed as widely as possible and a network of joint science-and-production enterprises and organizations is to be created.

It is also planned to actively develop trade and economic relations with socialist countries not belonging to CEMA. In particular, a high dynamic of growth in trade turnover with the PRC has been established.

The plan provides for the necessary measures to ensure the steady implementation of the CPSU's line of broad cooperation with the developing countries and support for their efforts to implement progressive economic and social transformations. The principles here remain unchanged: equality and effective aid to the peoples who have embarked on the path of winning economic independence. The Soviet Union advocates the restructuring of the world economic order on a just and democratic basis, guaranteeing economic security for all states -- big and small.

We are also prepared for the most diverse, broad economic relations with the developed capitalist countries on the basis of the principles of equality and mutual advantage, including progressive new forms of these relations. There is no doubt that all mankind and the cause of peace and detente stand to gain from well established, full economic ties betwen states with different social systems. Of course, this requires the resolute renunciation of any attempts at discrimination and various kinds of bans and restrictions.

The new tasks being put forward in the foreign economic sphere dictate the need for a change in the entire system of management in this sphere. Here many questions have accumlated, and a conservative approach is making itself felt. The main line is, while preserving and developing the principle of the state monopoly of foreign economic activity, to expand the rights of the producers of output, eliminate petty tutelage, and increase their interest in exports. All these measures must be carried out strictly in line with work to improve the economic machinery as a whole.

Only by changing our approaches to export and import policy and improving the management of foreign economic ties can we ensure an increase in their effectiveness with a view to accelerating the country's socioeconomic development.

VI. The Restructuring of the Management of the National Economy in Line With New Demands

Comrade deputies! The party's strategic course of accelerating the country's economic and social development, on which the 5-year plan is based, requires the purposeful, persistent implementation of new forms and methods of management at all levels and in all sectors of the national economy. The 27th CPSU Congress exhaustively analyzed the place and role of management in the system of production relations at the present stage and defined the need for it to actively influence the development of production forces, for the shortcomings which exist in this sphere to be overcome, and for a radical reform to take place. The task is to form an integrated management system which accords fully with the intensive type of economic growth, which opens up the maximum scope for scientific and technical progress, and which helps to develop the masses' initiative and social activeness and cultivates a thrifty attitude to the cause.

This requires resolute steps to strengthen the two principles of democratic centralism -- the heightening of the effectiveness of centralized leadership and the considerable expansion of the economic autonomy and responsibility of associations and enterprises. It is important now to give new content to both centralism and autonomy, since it is a question of profound changes in the entire system of economic relations.

Ensuring the balanced development of the national economy and implementing an integrated scientific, technical, social, structural, investment, and financial policy is and will remain the unshakable foundation of centralized planning and management. It is here that the attention of the USSR Gosplan, the USSR Ministry of Finance, and other central economic departments must be concentrated. It is through them, first and foremost, that the party's economic policy is implemented, and they create the conditions for efficient activity by enterprises and associations. At the same time, an essential feature of democratic centralism in the conditions of intensification of the economy will be the substantial expansion of enterprises' autonomy and the active involvement of all management levels in the economic machinery on the basis of the wide utilization of economic methods.

A characteristic feature of the 5-year plan is that for the first time the main tasks of the socioeconomic development of the country are intrinsically linked and fused with the consistent restructuring of the entire system of management of the national economy. The economic machinery thereby becomes an effective lever for economic growth. This must be the direction of activity of organs of state, sector, and regional leadership and labor collectives, and of all work to improve the economic machinery in the plan.

Above all, it is necessary to COMPLETE THE TRANSITION OF SECTORS OF INDUSTRY TO THE NEW METHODS OF ECONOMIC MANAGEMENT TESTED IN THE COURSE OF THE ECONOMIC EXPERIMENTS. One-third of association and enterprises are already working under these conditions, and next year all industry will be changed over.

Simultaneously with the wide dissemination of the new economic machinery in industry, its most important elements will be further developed on the basis of the strengthening of the principle of complete financial autonomy and self-financing. The Volga Motor Vehicle Plant and the Sumi Machine Building Association are now working in this way. They have achieved goods results. Starting next year, it is planned to transfer the labor collectives of the Ministry of Chemical and Petroleum Machine Building and several dozen associations and enterprises in other sectors onto these principles. In view of the progressive nature of this avenue, it is planned to extend it gradually to all industry.

New content is incorporated in the economic management machinery onto which all enterprises and organizations of the USSR Ministry of Light Industry are being transferred from 1987. Here the main thing is to strengthen the financial autonomy of enterprises so as to substantially increase their responsibility and interest in increasing production, expanding the range, and improving the quality of goods. Trade orders will from now on become in practice the basis for forming their plans.

As already noted, the restructuring of the economic machinery of sectors of the agro-industrial complex is of great significance here. The main provisions of this machinery, which is now being worked out in practice at kolkhozes, sovkhozes, and agro-industrial associations, will undoubtedly help to increase the efficiency of agricultural production. An equally important task is to ensure the organic interconnection and linkage of the new work methods of agricultural organizations with enterprises in the processing sectors of the complex.

It is also planned to carry out major measures in another sphere directly connected with the satisfaction of the population's needs, namely trade. In this sector, the economic machinery is called upon to establish the direct economic dependence of the income of trade enterprises and correspondidngly of the workers' labor remuneration on the fulfillment of the trade turnover plan and the quality of service to customers.

The improvement of the economic machinery in the 12th 5-Year Plan also covers transportation, where a number of major experiments are in progress. Very good results have been achieved in the Belorussian Railroad, where a system of incentives for increasing labor productivity and ensuring the efficient utilization of manpower has been introduced. Starting this year, its experience is being extended to another 10 railroads. The fuller, prompter satisfaction of requirements for freight and passenger shipments and the reduction of their cost is the aim of the economic management methods now being applied in the RSFSR river fleet, on certain shipping lines of the Ministry of the Maritime Fleet, and in a number of motor transport ministries.

As was noted at the June (1986) Plenum of the CPSU Central Committee, the most complex problem requiring urgent resolution is to radically improve matters in capital construction. Here more than in any other sector, conservatism can be seen both in improving management organization and in introducing new forms and methods of economic management.

Shortcomings in the management of construction are manifested particularly acutely in the question of the collective contract. This progressive form of organizing labor, increasing efficiency, and accelerating the fulfillment of work originated in construction and only later spread to other sectors. Yet it is in construction that this method is applied extremely unsatisfactorily. The reason is that the development of the collective contract came into conflict with existing forms of planning and organizing construction. It requires a new production mentality which does not fit in with the existing methods and style of economic activity in the sector.

All this again indicates that in construction there is an urgent need for a radical restructuring of management and economic activity. The appropriate proposals are now being drawn up, and they must incorporate all the best experience accumulated over many years.

The process of improving the economic machinery is reflected not only in the package of measures to restructure the machinery in various sectors, but also in the content of the plan itself, its structure, and the system of targets set.

Fundamental significance is attached to the fact that, for the first time, stable economic norms for each year of the 5-year plan are set for sectors and enterprises in the plan. The conditions are created for the consistent exercise of the broad rights of associations and enterprises regarding the efficient utilization of the funds which they earn for production and social development. The role of economic contracts between suppliers and consumers of output is increased, and at the same time requirements for their fulfillment are toughened.

In the 12th 5-Year Plan, large-scale measures are to be carried out to improve the organizational structures of managment. As is known, the foundations have already been laid for this, and at all levels. Permanent organs of the USSR Council of Ministers have been set up for the management of the agro-industrial, machine building and fuel and energy complexes.

The organizational structures of management in ministries are being improved. Thus, machine building has already transferred basically to a two-tier system, and unjustified industrial associations have been abolished. Restructuring also lies ahead in other ministries. The main attention will be devoted to the main component -- the production association. Many of them must incorporate small-scale, nonspecialized enterprises which objectively lack the potential for effective development in line with present-day demands. A number of sector institutes and organizations will become part of associations. The plant sector of science will thus be reinforced. The network of science-and-production associations will expand. All this must be implemented more resolutely and consistently.

Thus, comrades, the program of practical actions in the 12th 5-Year Plan in the sphere of improving planning is aimed both at expanding the scale of application of the new conditions in all sectors of the economy and also at developing and deepening them, both at improving economic management methods and also at restructuring organizational structures. There is a need for persistent daily work to implement this program, and first and foremost for a resolute turnabout in that direction by the leaders and apparatus of ministries. The improvement of the economic machinery and the precision, harmoniousness, and fruitfulness of its operation largely depend on them. There must be no slackening of attention to this work, and it must not be conducted sporadically and superficially; otherwise, there will inevitably be trouble.

The USSR Council of Ministers recently examined the activity of the Ministry of the Electrical Equipment Industry, which was among the leaders in seeking progressive management methods. And it must be noted that fairly good results were achieved during the first year of work. However, the minstry collegium and the minster himself, Comrade G.P. Voronovskiy, slackened their attention to improving the economic machinery and essentially left things to their own devices. This basically predetermined the systematic decline in the efficiency of the work of many enterprises and associations, and also of the sector as a whole. Last year, more than 40 percent of enterprises failed to fulfill their contractual ommitments, one in five failed to cope with the labor productivity growth target, one in four with production of output in the top quality category and the profits plan, and almost one in three with the plan for reducing prime costs.

The biggest scientific and technical potential of all industrial ministries has been created in the sector. There are eight industrial personnel per scientific worker here. However, despite this, only 2 percent of products are updated annually, and only one-third of the products produced match their top foreign counterparts. As they say, the comrades have gotten themselves into a mess! This example confirms yet again the strength of adherence to old methods of leadership and reluctance to utilize economic methods of management and increase production efficiency on this basis. Similar situations are also occurring in other ministries, where the leaders do not make a self-critical assessment of the actual situation.

The chronic disease of bureaucratism, passivity, and reluctance to change management style and methods was sharply critizized at the CPSU Central Committee Plenum. To this day, central economic departments are issuing methodological directives and instructions which essentially emasculate the point of the new provisions of economic management and intolerably restrict enterprises' rights. And the fact that today, work to improve the economic machinery is developing slowly and the scale and process of its deepening are being held back is largely occurring because our central economic organs -- the Gosplan, Gossnab, Gosban, The State Committee on Prices, and others -- are not restructuring themselves rapidly enough. They have still not found their place in this most important matter, and are not displaying the activeness demanded of them by the party and government.

The apparatus of ministries and departments, which is subjecting enterprises to a literal avalanche of paper, continues to cling to obsolete administrative methods of work. Instead of engaging in economic forms of management, it harbors the illusion that all the multifaceted work of enterprises can be encompassed from above despite the enormous present-day scale and complexity of production. And this is being done when a large detachment of highly skilled cadres capable of working without petty tutelage from above has taken shape in labor collectives.

But there is also another aspect to the problem. Many association and enterprise leaders are excessively cautious, are not averse to shifting responsibility onto higher organs, and do not make use of the rights granted to them. The force of inertia is still felt here, and there is a need for more rapid restructuring in both work and thinking.

Comrades! The restructuring of the economic machinery is inseparable from THE RADICAL IMPROVEMENT OF ECONOMIC WORK AT ALL LEVELS -- in every ministry and at every enterprise and association. It is a question of substantially increasing the role of economic analysis in taking economic decisions and pursuing the strictest policy of thrift. Only on this basis is it possible to uncover and mobilize the tremendous reserves for increasing production efficiency and blocking channels of possible losses. The more resolutely we switch to the path of intensification and the more consistently we introduce full financial autonomy, the more acute the question of deepening economic work becomes. Any kind of financial autonomy is inconceivable without this.

Let us be frank -- until recently the requisite attention was not devoted to economic work. It was relegated to the background, and, in many components, simply disregarded. Economic services were weakened and their role downgraded. Many ministry, association, and enterprise leaders did not master the art of rational economic management and, in V. I. Lenin's words, "are not concerned about saving the kopek given to them and do not try to turn it into 2 kopeks" (Footnote) (V.I. Lenin. Complete Collected Works Vol. 45 p. 16).

TEXT Indicators such as labor productivity, prime cost, profitablility, profit, and finances practically disappeared from view. The desire to fulfill the plan "at any cost," regardless of expenses and losses, has not been eliminated. This is the prime explanation for the fact that about one-third of enterprises and construction organizations and more than half of sovkhozes do not fulfill their prime cost and profit plan.

The level of loss in production has become large-scale. In 1985, in industry alone 13 percent of enterprises incurred losses, the total sum of which was in excess of R6 billion. Nonproductive expenditure and above-plan losses are great. Many enterprises continue to accumulate excessive, above-norm stocks of commodity and material assets. As a result vast sums are tied up.

Today the task is to master an antiexpenditure machinery in practice and to introduce the principles of financial autonomy to every section and team.

In the new 5-year plan expenditure on the production of industrial output is to be reduced by 5.5 percent, as against 1.4 percent in the last 5-year plan. In agriculture (sovkhozes) it is planned to reduce expenditure by 8 percent, and in construction by 3.3 percent. On this basis there will be a considerable increase in profit, which is the main source of the formation of the state's financial resources. In the 5-year plan period the rate of profit in the national economy must be more than twice what it was in the last 5-year plan. These targets, comrades, must be regarded as among the most important, priority targets. We must no allow them to be broken, since that would lead to the nonfulfillment of plans for investments and social development.

Every production association and enterprise must participate actively in the formation of budget income. Concern for the state budget is a very important prerequisite for ensuring that our plans are realistic.

Summing up what I have said, I wish to stress again that only by restructuring economic work is it possible to fulfill the enormous tasks which face the national economy.

Now more than ever before we need a new type of economic leader -- people who are politically mature, bold, and energetic, marked by high moral qualities, and capable of combining strict technical calculations with economic expediency, combining the collectives' interests with those of the whole people. In order to be up to present-day requirements a leader must be economically literate and able to think in terms of efficiency and intensification and to orient himself always and everywhere toward the attainment of high end results. That is the imperative of the time, an essential condition of the acceleration of the country's socioeconomic development.

Comrades! After ratification by the USSR Supreme Soviet session the 5-year plan will become law. And like any law of our state, it must be strictly fulfilled. This demand is particularly important now, at this crucial stage in our society's life, when the country has been set the strategic task of accelerating socioeconomic development. This task will be materialized through the 5-year plan.

LAST LINE

Special significance has always been attached to 5-year plans, but unfortunately their role has recently been markedly depreciated. It must be said frankly that in life there has been a departure from the 5-year plan, and the national economy has developed basically according to yearly targets. Even the results of the 5-year plan for enterprises and sectors, regions and republics have been calculated on the basis of the total of yearly plans.

This practice must now be decisively stopped. This is all the more vitally necessary in conditions where a course has been set toward new economic methods of management based on long-term norms, where a profound restructuring of the economic machinery is in progress, and where things are moving toward the self-financing of production and where labor collectives must have a clear long-term view of work. All this shows how important it is in present conditions to increase the role of the 5-year plan and responsibility for its fulfillment.

Comrade deputies! Those are the main contents, the key problems and thrust of the draft 12th 5-Year Plan submitted for your discussion and ratification. Its specific indicators express the party's general course of acceleration, profound transformations in the economic and social spheres, implementation of major scientific, technical, and economic tasks, and a radical turn toward intensification and quality.

The plans outlined are large-scale and intensive. Their fulfillment requires staunch labor and total dedication, the constant quest for effective solutions, the highest level of organization and discipline, the active reorientation of people's social consciousness, the objective evaluation of achievements, and intolerance of shortcomings. That is how the matter was formulated in the report of M.S. Gorbachev, general secretary of the CPSU Central Committee, at the plenum of the party Central Committee. That is the spirit in which the labor collectives, ministries, union republic Councils of Ministers, and central economic departments must work. Time waits for no man. Nearly half of the 1st year of the new 5-year plan is already behind us.

To sum up a few results, it may be noted that the 5-year plan has not begun badly. At all levels of economic management a process of change is under way, restructuring is developing, and the dynamism of progress is growing. Over the first 5 months of the year the country's economy has developed at rates in excess of those planned.

All this makes it possible to conclude that the broad masses of working people have taken up the party's large-scale initiatives with their minds and hearts, support enthusiastically the 27th congress decisions, and are responding with deeds to the call to mobilize reserves for the acceleration of the country's socioeconomic development and put into practice the plans mapped out. However, positive results, significant as they are, cannot be grounds for complacency. The negtative trends of the past are still making themselves felt.

Guided by the decisions of the CPSU Central Committee June (1986) Plenum, every sector and every labor collective must make a principled, critical analysis of the first lessons of restructuring. It is our duty to strengthen the atmosphere of creativity engendered by the congress, augment efforts in the struggle for everything advanced and progressive, oppose uncompromisingly any attempts to operate by the old methods, and step up exactingness with regard to the unconditional fulfillment of the state plan -- the main law of our economic life.

Today all of us are already undergoing a severe test of our ability to work in the new way. Fulfilling the high targets for 1986 means proving in practice that acceleration is becoming a real process and individual positive developments are turning into a profound restructuring of the economy. The immediate task for this year is to reach the maximum possible heights in all sectors of the national economy and do everything possible to fulfill and overfulfill plan targets and lay in the 1st year of the 5-year plan a firm foundation for its successful completion as a whole.

While concentrating efforts on implementing the new 5-year plan, we must always remember that the 12th 5-Year Plan is the start of the long-term strategy of acceleration of the country's socioeconomic development. And that predetermines high demands on the document which is to be examined at the present 5th session of the USSR Supreme Soviet, 11th convocation.

Comrade deputies! The realistic nature of our plans has always been determined by the masses' high level of activeness, the committed, responsible labor of every worker and kolkhoz member, specialist and scientist. Today the main thing is for that mighty, tried and tested source of economic development to operate at full capacity. This is called for by the Appeal of the CPSU Central Committee to the Working People of the Soviet Union on launching a nationwide socialist competition for the fulfillment and overfulfillment of plans for the 12th 5-Year Plan which was adopted by the June (1986) plenum. This will be promoted by the patriotic movement for a fitting greeting for the 70th anniversary of the Great October Socialist Revolution.

Permit me to express firm confidence that at this crucial, critical stage in our society's development the Soviet people will, with their characteristic will and energy, put into practice the historic decisions of the 27th CPSU Congress and demonstrate unswerving loyalty to the ideals of communism. (prolonged applause).

LATE REPORT: RYABOV 'RELEASED' FROM COUNCIL OF MINISTERS

LD191506 Moscow Television Service in Russian 1430 GMT 19 Jun 86

[From the "Vremya" newscast]

[Excerpt] On the submission of the USSR Council of Ministers, the Supreme Soviet appointed Comrades Vedernikov and Gusev as deputy chairmen of the USSR Council of Ministers. Comrade Ryabov has been released from his duties as deputy chairman of the USSR Council of Ministers in connection with his transfer to other work. With that, the fifth session of the USSR Supreme Soviet of the 11th convocation finished its work.